PARKSON HOLDINGS BERHAD

A Member of Lion Group

Reg. No: 198201009470 (89194-P)

LAPORAN TAHUNAN
2023
ANNUAL REPORT

CONTENTS

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the 40th Annual General Meeting of Parkson Holdings Berhad ("40th AGM") will be held virtually from the Broadcast Venue, Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan and via Securities Services e-Portal at https://sshsb.net.my/ on Wednesday, 29 May 2024 at 10.30 am for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon. **Note 1**

2. To approve the payment of Directors' fees amounting to RM260,000 for the financial year ended 31 December 2023. **Resolution 1**

3. To approve the payment of Directors' benefits of up to RM101,000 for the period commencing after the 40th AGM until the next annual general meeting of the Company. **Resolution 2**

4. To re-elect Mr Ooi Kim Lai who retires by rotation in accordance with Clause 110 of the Company's Constitution and who being eligible, has offered himself for re-election. **Resolution 3**

   Cik Zainab binti Dato' Hj. Mohamed who also retires by rotation in accordance with Clause 110 of the Company's Constitution, has expressed her intention not to seek re-election and hence, shall retire at the conclusion of the 40th AGM.

5. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 4**

6. Special Business

   To consider and, if thought fit, pass the following Ordinary Resolutions:

6.1 Authority to Directors to Issue and Allot Shares

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approval of all relevant authorities being obtained, the Directors be and are hereby empowered to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being ("Mandate") and that such Mandate shall continue to be in force until the conclusion of the next annual general meeting of the Company. **Resolution 5**

THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 12 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the Shareholders of the Company to be offered new shares in the Company ranking *pari passu* in all respects with the existing issued shares of the Company arising from the issuance of new shares pursuant to the Mandate."

6.2 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Resolution 6

"THAT approval be and is hereby given for the renewal of the mandate, for the Company and its subsidiaries (collectively, the "Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations as detailed in paragraph 3.3 and with those related parties as set out in paragraph 3.2 of the Circular to Shareholders of the Company dated 30 April 2024 ("Related Parties"), provided that such transactions are undertaken in the ordinary course of business and are on normal commercial terms which are consistent with the Group's usual business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and

THAT authority conferred by this ordinary resolution will only continue to be in force until:

(i) the conclusion of the next annual general meeting of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(ii) the expiration of the period within which the next annual general meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

(iii) revoked or varied by resolution passed by the Shareholders of the Company in general meeting,

whichever is the earlier; and

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

7. To transact any other business for which due notice shall have been given.

By Order of the Board

LIM KWEE PENG (MAICSA 7015250)
SSM PC No. 202008002981

CHOO YOON MAY (MAICSA 7044632)
SSM PC No. 202008002365
Secretaries

Kuala Lumpur
30 April 2024

Notes:

- *Proxy*

  (i) *In respect of deposited securities, only Members whose names appear in the Record of Depositors on 23 May 2024 shall be eligible to participate at the Meeting.*

  (ii) *A member entitled to participate and vote at the Meeting is entitled to appoint not more than 2 proxies to participate and vote instead of him. A proxy need not be a member of the Company.*

  (iii) *If a member appoints 2 proxies, the proportion of his shareholdings represented by each proxy must be specified.*

  (iv) *The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or the hand of an officer or attorney duly authorised.*

  (v) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

  (vi) *The instrument appointing a proxy shall be deposited at the Office of the Poll Administrator of the Company for the Meeting, SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time for holding the Meeting.*

  (vii) *Completed Form of Proxy sent through facsimile transmission or any electronic or digital manner shall not be accepted.*

- *The 40th AGM will be conducted virtually through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities available on Securities Services e-Portal at https://sshsb.net.my/. Please refer to the procedures provided in the Administrative Guide for the 40th AGM for registration, participation and remote voting via the RPV facilities.*

- *At the Broadcast Venue, only the Chairman and other essential individuals are physically present to organise the virtual 40th AGM. Members/Proxies/Corporate Representatives will not be allowed to be physically present at the Broadcast Venue on the day of the 40th AGM.*

1. *Audited Financial Statements for the financial year ended 31 December 2023*

   The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only. As such, this Agenda item is not a business which requires a resolution to be put to vote by Members.

2. *Resolution 2*

   The benefits payable to the Directors of up to RM101,000 for the period commencing after the 40th AGM until the next annual general meeting of the Company comprise estimated meeting allowance in respect of Directors' attendance at Board and Board Committees meetings which have been scheduled and additional ad hoc meetings. The Board is of the view that it is just and equitable for the Directors to be paid the meeting allowance as and when incurred in discharging their responsibilities and rendering their services to the Company throughout the relevant period.

3. *Resolution 3*

   Mr Ooi Kim Lai retires by rotation in accordance with Clause 110 of the Company's Constitution and being eligible, has offered himself for re-election at the 40th AGM.

   The Nomination Committee ("NC") had reviewed the performance and contribution of Mr Ooi during the annual assessment for the financial year ended 31 December 2023. Based on the results of the assessment, the NC was satisfied with the performance and contribution of Mr Ooi who has performed his duties as a non-independent non-executive Director as well as a member of the Audit Committee and the NC of the Company; and has discharged his duties and responsibilities effectively at all times.

   The Board had concurred with the NC's recommendation to seek Shareholders' approval for the re-election of Mr Ooi.

   The profile of Mr Ooi is set out on page 10 of the 2023 Annual Report.

4. *Resolution 5*

The approval pursuant to Sections 75 and 76 of the Companies Act 2016 will allow the Company to procure the renewal of the general mandate which will empower the Directors of the Company to issue and allot new shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company ("Mandate"). The Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next annual general meeting of the Company.

The waiver of the pre-emptive rights pursuant to Section 85 of the Companies Act 2016 read together with Clause 12 of the Constitution of the Company will allow the Directors to issue and allot new shares in the Company which rank pari passu in all respects with the existing shares, to any person without having to first offer the new shares to all existing Shareholders prior to the issuance of new shares pursuant to the Mandate.

The Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting of the Company held on 24 May 2023 which will lapse at the conclusion of the 40th AGM.

5. *Resolution 6*

This approval will allow the Group to continue to enter into recurrent related party transactions of a revenue or trading nature with those Related Parties, which are necessary for the Group's day-to-day operations undertaken in the ordinary course of business and are on normal commercial terms which are consistent with the Group's usual business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

Details on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature are set out in the Circular to Shareholders dated 30 April 2024 which is made available on the websites of the Company at www.lion.com.my/parkson-agm and Bursa Malaysia Berhad at www.bursamalaysia.com.

CORPORATE INFORMATION

Board of Directors	:	Y. Bhg. Tan Sri Cheng Heng Jem *(Chairman and Managing Director)* Ms Cheng Hui Yen, Natalie *(Executive Director)* Y. Bhg. Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat Cik Zainab binti Dato' Hj. Mohamed Mr Liew Jee Min @ Chong Jee Min Mr Ooi Kim Lai
Secretaries	:	Ms Lim Kwee Peng (MAICSA 7015250) SSM PC No. 202008002981 Ms Choo Yoon May (MAICSA 7044632) SSM PC No. 202008002365
Registration No	:	198201009470 (89194-P)
Registered Office	:	Level 14, Lion Office Tower No. 1 Jalan Nagasari 50200 Kuala Lumpur Wilayah Persekutuan Tel No : 03-21420155 Fax No : 03-21413448 Website : www.lion.com.my/parkson Email : phb@lion.com.my
Share Registrar	:	Secretarial Communications Sdn Bhd Level 13, Lion Office Tower No. 1 Jalan Nagasari 50200 Kuala Lumpur Wilayah Persekutuan Tel Nos : 03-21420155, 03-21418411 Fax No : 03-21428409 Email : shregistrar@lion.com.my
Auditors	:	Grant Thornton Malaysia PLT Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Wilayah Persekutuan
Principal Bankers	:	HSBC Amanah Malaysia Berhad CIMB Bank Berhad Malayan Banking Berhad China Merchants Bank China Zheshang Bank Bank of China (Hong Kong) Limited BNP Paribas Hong Kong Branch
Stock Exchange Listing	:	Bursa Malaysia Securities Berhad ("Bursa Securities")
Stock Name	:	PARKSON
Bursa Securities Stock No	:	5657
Reuters Code	:	PRKN.KL

DIRECTORS' PROFILE

Tan Sri Cheng Heng Jem
Non-Independent Chairman and Managing Director

Y. Bhg. Tan Sri Cheng Heng Jem, a Malaysian, male, aged 81, was appointed to the Board on 30 March 1989. He was appointed the Managing Director and the Chairman of the Company on 16 August 2006 and 13 November 2006 respectively.

Tan Sri Cheng has more than 60 years of experience in the business operations of the Lion Group encompassing retail, financial services, steel, mining, property and industrial parks, agriculture, tyre manufacturing, motor vehicle assembly, brewery and computer industries.

Tan Sri Cheng was the President of The Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCCIM") and The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor ("KLSCCCI") from 2003 to 2012 and is now a Life Honorary President of ACCCIM and KLSCCCI. He was also the President of Malaysia Retailers Association ("MRA") from May 2016 to May 2018, and was its Honorary President from June 2018 to July 2020. He was again appointed the President of MRA from July 2020 to May 2022 and in June 2022, he was appointed an Honorary President of MRA. He was the Chairman of the Federation of Asia-Pacific Retailers Associations from October 2017 to September 2019, and was its Vice Chairman from September 2019 to November 2022. He is a Trustee of ACCCIM's Socio-Economic Research Trust and the President of Malaysia Steel Association.

Tan Sri Cheng's other directorships in public companies are as follows:

- Chairman of Lion Posim Berhad, a public listed company
- Managing Director of Lion Industries Corporation Berhad, a public listed company
- Founding Member and Permanent Trustee of The Community Chest, a company limited by guarantee established by the private sector for charity purposes

Tan Sri Cheng has a direct shareholding of 286,923,039 ordinary shares in the Company ("Parkson Shares") and a deemed interest in 339,994,089 Parkson Shares. By virtue of his substantial interest in the Company, he is deemed to be interested in the subsidiaries of the Company, both wholly-owned and those set out on page 233 of this Annual Report. He is also deemed to have interest in a company in which his family members hold directorship and equity interests, which conduct similar business with the Group in the retailing of cosmetic products.

Tan Sri Cheng is the father of (i) Ms Cheng Hui Yen, Natalie, the Executive Director of the Company; (ii) Ms Juliana Cheng San San who is an Executive Director of Parkson Retail Group Limited ("PRGL"), a subsidiary of the Company listed on The Stock Exchange of Hong Kong Limited; and (iii) Ms Cheng Hui Yuen, Vivien who is an Executive Director of Parkson Retail Asia Limited ("PRA"), a subsidiary of the Company listed on the Singapore Exchange Securities Trading Limited.

Tan Sri Cheng attended all 4 Board Meetings of the Company held during the financial year ended 31 December 2023.

Cheng Hui Yen, Natalie
Executive Director

Ms Cheng Hui Yen, Natalie, a Malaysian, female, aged 40, was appointed the Executive Director of the Company on 26 August 2015.

Ms Natalie Cheng graduated with a Bachelor of Arts in Media and Communications from the University of Melbourne, Australia in 2004.

Ms Cheng joined Parkson Corporation Sdn Bhd in 2005 in the Cosmetics and Fragrances Department followed by the Gents and Sports Departments, and currently, heads the Merchandising Department as Director. Prior to joining Parkson, Ms Cheng had completed her internship with Saatchi & Saatchi Beijing in the People's Republic of China ("PRC") in the Strategic Planning Department before returning to Malaysia.

Apart from overseeing Parkson's Merchandising Department in Malaysia, Ms Cheng keeps abreast of the local retail scene as well as in the PRC for the overall improvement of Parkson stores. She also undertakes investor relations by engaging with fund managers and analysts on the retail industry.

Ms Cheng has a direct shareholding of 50,000 ordinary shares in PRA. She also has interest and holds directorship in a company owned by her family members, which conduct similar business with the Group in the retailing of cosmetic products.

Ms Cheng is the daughter of Y. Bhg. Tan Sri Cheng Heng Jem who is the Chairman and Managing Director, and a major shareholder of the Company. She is also the sister of Ms Juliana Cheng San San who is an Executive Director of PRGL, and Ms Cheng Hui Yuen, Vivien who is an Executive Director of PRA.

Ms Cheng attended all 4 Board Meetings of the Company held during the financial year ended 31 December 2023.

Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat
Independent Non-Executive Director

Y. Bhg. Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat, a Malaysian, male, aged 72, was appointed to the Board on 24 November 2022. He is also a member of the Audit Committee and Remuneration Committee of the Company.

Tan Sri Dato' Seri Dr Aseh graduated with a Bachelor of Arts (Honours) in Economics from the University of Malaya in 1974 and received his Master of Public Administration from the University of Southern California in the United States of America in 1984, PhD (Honorary) in International Relations from Limkokwing University of Creative Technology, Cyberjaya, Malaysia in 2007, PhD (Honorary) in Management from the Infrastructure University Kuala Lumpur, Malaysia in 2015 and was awarded Doctor of Philosophy (PhD) from the Swiss School of Management in 2021.

Tan Sri Dato' Seri Dr Aseh joined the Ministry of Finance, Malaysia in March 1974 and had held various positions as Assistant Secretary, Secretary and Principal Assistant Secretary of the Education Services Commission in Kuala Lumpur, Sarawak and Sabah during his 8 years with the Commission. Since 1984, he served in the Ministry of Home Affairs, Malaysia in various positions including Principal Assistant Secretary of the Security and Police Affairs Division; Undersecretary of Security and Preventive Division, and Management Division; and Deputy Director General and Director General of the Department of Immigration, Malaysia. In February 2001, Tan Sri Dato' Seri Dr Aseh was appointed Secretary General of the Ministry of Home Affairs, Malaysia, a post he held until his retirement on 22 October 2007.

Between 2007 and 2019, Tan Sri Dato' Seri Dr Aseh had held the following positions:

- Directorships in various public and public listed companies namely, Lion Diversified Holdings Berhad from 2007 to 2019, Pos Malaysia Berhad from July 2008 to July 2011, Stemlife Berhad from 2008 to 2013 and MWE Holdings Berhad from 2008 to 2018

- President of Putrajaya Corporation from August 2012 to July 2015

- Chairman of University Council of Limkokwing University of Creative Technology, Cyberjaya from 2008 to 2017 and Social Security Organisation (SOCSO) from August 2017 to October 2018

He was also active in the Administrative and Diplomatic Service (ADS) and was its longest serving President.

Tan Sri Dato' Seri Dr Aseh is active in community service and currently holds the following offices:

- Trustee and Chairman of Integrity Committee of Football Association of Malaysia
- Chairman of Yayasan Pesara Kerajaan
- President of Tiara Golf & Country Club, Melaka
- Vice President of the Malaysian Golf Association
- Chancellor of Infrastructure University Kuala Lumpur
- Chairman of Council Dato' Dato' Kurnia Negeri Sembilan Darul Khusus

Tan Sri Dato' Seri Dr Aseh is also the Chairman of British American Tobacco (Malaysia) Berhad, a public listed company.

Tan Sri Dato' Seri Dr Aseh attended all 4 Board Meetings of the Company held during the financial year ended 31 December 2023.

Zainab binti Dato' Hj. Mohamed
Independent Non-Executive Director

Cik Zainab binti Dato' Hj. Mohamed, a Malaysian, female, aged 66, was appointed to the Board on 23 November 2012. She is also the Chairman of the Audit Committee, and a member of the Nomination Committee and Remuneration Committee of the Company.

Cik Zainab graduated with a Diploma in Accountancy from Universiti Teknologi MARA (UiTM) in 1978 and studied at the London School of Accountancy, England for the Association of Chartered Certified Accountants qualification from 1979 to 1981. She is a member of the Malaysian Institute of Accountants, and was a Fellow Member of the Association of Chartered Certified Accountants until 2020.

Cik Zainab has more than 35 years of experience in the audit and finance fields holding various positions in an audit firm, a commercial bank, an investment and holding company, a petroleum multinational company, a general insurance company and a solid waste management concessionaire.

She managed her own management and consultancy firm, ANZ Consultancy Services from 2002 until her retirement in 2019.

Cik Zainab attended all 4 Board Meetings of the Company held during the financial year ended 31 December 2023.

Liew Jee Min @ Chong Jee Min
Independent Non-Executive Director

Mr Liew Jee Min @ Chong Jee Min, a Malaysian, male, aged 65, was appointed to the Board on 15 January 2019. He is also the Chairman of the Nomination Committee and Remuneration Committee, and a member of the Audit Committee of the Company.

Mr Chong graduated from the University of Leeds, England in 1984 with an Honours degree in Law. He obtained his Certificate of Legal Practice, Malaya in 1985 and was admitted as an advocate and solicitor to the High Court of Malaya in 1986. Mr Chong is a co-founder of the legal firm, Messrs J.M. Chong, Vincent Chee & Co. Advocates & Solicitors, which was established in December 1986 and specialises in various practices of law such as real estate, banking, corporate and commercial. He has accumulated more than 35 years of experience as a legal practitioner and is currently the managing partner of the firm.

As a prominent legal advisor of his profession, Mr Chong also serves in various organisations and associations in Malaysia:

- Vice President of the Klang Chinese Chamber of Commerce and Industry ("KCCCI")
- Chairman of the Legal Affairs Committee of the KCCCI and The Associated Chinese Chamber of Commerce & Industry of Coastal Selangor
- Council member of The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor, and Chairman of its Legal Affairs Committee
- Member of the Legal Affairs Committee of The Associated Chinese Chambers of Commerce and Industry of Malaysia
- Legal advisor of Malaysia Used Vehicle Autoparts Traders Association, The Kuala Lumpur & Selangor Furniture Entrepreneur Association and Sekolah Menengah Chung Hua (PSDN) Klang.

Mr Chong's other directorships in public listed companies are as follows:

- Chairman of ASTEEL Group Berhad (formerly known as YKGI Holdings Berhad) and Hextar Healthcare Berhad
- Director of Hextar Global Berhad

Mr Chong attended all 4 Board Meetings of the Company held during the financial year ended 31 December 2023.

Ooi Kim Lai
Non-Independent Non-Executive Director

Mr Ooi Kim Lai, a Malaysian, male, aged 56, was appointed to the Board on 12 May 2014. He is also a member of the Audit Committee and Nomination Committee of the Company.

Mr Ooi graduated with a Diploma in Accountancy from Tunku Abdul Rahman College, and is a Fellow Member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

Mr Ooi started his career in 1991 as an auditor in a public accounting firm and joined the Lion Group in 1993 as a Group Accountant. Mr Ooi was the Group Chief Accountant before his appointment as Group Director of the Lion Group in January 2016 and is responsible for the accounting and financial management of certain listed companies in Malaysia and overseas within the Lion Group. He is also actively involved in corporate exercises of the Lion Group including initial public offerings (IPOs), corporate restructuring, mergers and acquisitions, and undertakes investor relations by engaging with fund managers and analysts on various industries covering retail, credit financing, steel, mining, property and services.

He is also a Director of ACB Resources Berhad, Lion Corporation Berhad and Lion Diversified Holdings Berhad (In liquidation), all public companies.

Mr Ooi has a direct shareholding of 197 ordinary shares in the Company.

Mr Ooi attended all 4 Board Meetings of the Company held during the financial year ended 31 December 2023.

Save as disclosed above, none of the Directors has (i) any interest in shares in the Company or its subsidiaries; (ii) any family relationship with any Director and/or major shareholder of the Company; (iii) any conflict of interest with the Company; and (iv) any conviction for offences within the past 5 years nor any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

Juliana Cheng San San
Singaporean, female, 54 years of age

Ms Juliana Cheng San San was appointed an Executive Director of Parkson Retail Group Limited ("PRGL") on 28 August 2015. PRGL Group undertakes the Group's retail business in the People's Republic of China ("PRC"). In 2022, Ms Juliana Cheng has been entrusted with additional responsibilities for audit, legal and public relations of the PRGL Group.

Ms Juliana Cheng graduated with a Bachelor of Commerce (Management) from the University of Western Sydney, Australia in 1994 and completed a Program for Global Leadership from Harvard Business School, Boston, the United States of America in 2000.

Ms Cheng started her career with the Lion Group in 1995 with stints in Singapore and Malaysia. During her tenure from 1995 to 2004, she held various positions in finance, human resource, administration and business development. In 2004, Ms Cheng was seconded to Parkson China as Cosmetics Manager and thus, began her career in the retail industry. She left Parkson China in May 2006 and joined Chanel (China) Co., Ltd. as the National Accounts Manager for business development in the PRC. In June 2010, she re-joined Parkson China as Regional Director overseeing its retail operations in the PRC. She is also a director of various subsidiaries of PRGL. During her more than 25 years with the Lion Group, Parkson China and Chanel (China) Co., Ltd., she has accumulated vast experience and knowledge of the retail and branding industry which enables her to contribute to the Group.

Ms Cheng is the daughter of Y. Bhg. Tan Sri Cheng Heng Jem who is the Chairman and Managing Director, and a major shareholder of the Company. She is also the sister of Ms Cheng Hui Yen, Natalie, the Executive Director of the Company, and Ms Cheng Hui Yuen, Vivien who is an Executive Director of Parkson Retail Asia Limited, a subsidiary of the Company listed on the Singapore Exchange Securities Trading Limited.

Zhou Jia
Chinese, male, 52 years of age

Mr Zhou Jia was appointed the Chief Executive Officer ("CEO") of the PRGL Group on 1 July 2022.

Mr Zhou graduated with a Bachelor of Business Administration from the University of Yuzhou, the PRC in 1994.

In 1995, Mr Zhou joined the Merchandising Division of Chongqing Wanyou Parkson and was promoted as the Assistant General Manager of Kunming Parkson in 2002. Mr Zhou was subsequently promoted as the Head of Kunming Parkson in 2004, the Regional General Manager in 2010 and the PRGL Group's Senior Operating Officer in 2014. In 2016, he was appointed the Chief Operating Officer ("COO") of the PRGL Group and had assumed the position of Acting CEO from 1 January 2022 to 30 June 2022 before being appointed CEO.

Law Boon Eng
Malaysian, male, 66 years of age

Mr Law Boon Eng was appointed the CEO of the Group's retail operations in Malaysia on 1 June 2023 having assumed the position of COO since October 2015.

Mr Law obtained his Diploma in Management from Curtin University, Australia in 1992.

Mr Law first joined the Group's Malaysia operations in 1988 as a Divisional Merchandising Manager and was appointed the General Manager of Merchandising and Marketing Department in 1996. Mr Law left the Group in 2001 and re-joined the Group as the Acting COO in 2014. Mr Law has more than 35 years of experience in the retail industry. Prior to re-joining the Group, Mr Law held various senior positions in other major retail groups in Malaysia, including COO and Executive Director of Ngiu Kee Corporation Bhd from 2001 to 2003 and Executive Director of Asia Brands Corporation Berhad from 2003 to 2007.

Poh Wan Chung, Danny
Malaysian, male, 51 years of age

Mr Poh Wan Chung, Danny, a Director of Parkson Credit Sdn Bhd ("Parkson Credit"), assumed the position of Executive Director on 1 March 2021, in charge of and responsible for the operations of Parkson Credit, a wholly-owned subsidiary of PRGL, which provides consumer durables financing and money lending services under the name of *Parkson Credit*.

Mr Danny Poh graduated with a Bachelor of Commerce from the University of Auckland, New Zealand in 1995.

Mr Poh has more than 25 years of working experience in financial institutions in the areas of hire purchase, credit card, consumer credit and loans. He first joined the Group in January 2014 as the General Manager of the credit financing business and was promoted as Senior General Manager in January 2015. Prior to joining the Group, he was the Head of New Business and Insurance Agency and General Manager of AEON Credit Service (M) Berhad and served as its Head of Marketing and Business Development Division responsible for its marketing, sales and business development function.

Save as disclosed above, none of the Key Senior Management has (i) any directorship in public companies and listed issuers; (ii) any family relationship with any Director and/or major shareholder of the Company; (iii) any conflict of interest with the Company; and (iv) any conviction for offences within the past 5 years nor any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board is pleased to present the Corporate Governance ("CG") Overview Statement of the Company for the financial year ended 31 December 2023. This CG Overview Statement is prepared pursuant to the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements").

The Board has been guided by the Malaysian Code on Corporate Governance ("MCCG") in its implementation of CG practices by the Company and its subsidiaries to promote a holistic adoption of CG practices and culture within the Group in the best efforts while ensuring compliance with the Listing Requirements and the Companies Act 2016 ("CA 2016") in addition to monitoring developments in industry practice and other relevant regulations.

The CG Overview Statement provides a summary of the Company's CG practices during the financial year, with reference to the following 3 principles, intended outcomes and practices of the MCCG, having considered the Company's structure, processes, business environment and industry practices:

- Board leadership and effectiveness;
- Effective audit and risk management; and
- Integrity in corporate reporting and meaningful relationship with stakeholders.

This CG Overview Statement should be read together with the CG Report, which is available on the Company's website at www.lion.com.my/parkson. It should also be read in conjunction with other statements in this Annual Report such as the Statement on Risk Management and Internal Control, the Audit Committee Report and the Sustainability Statement.

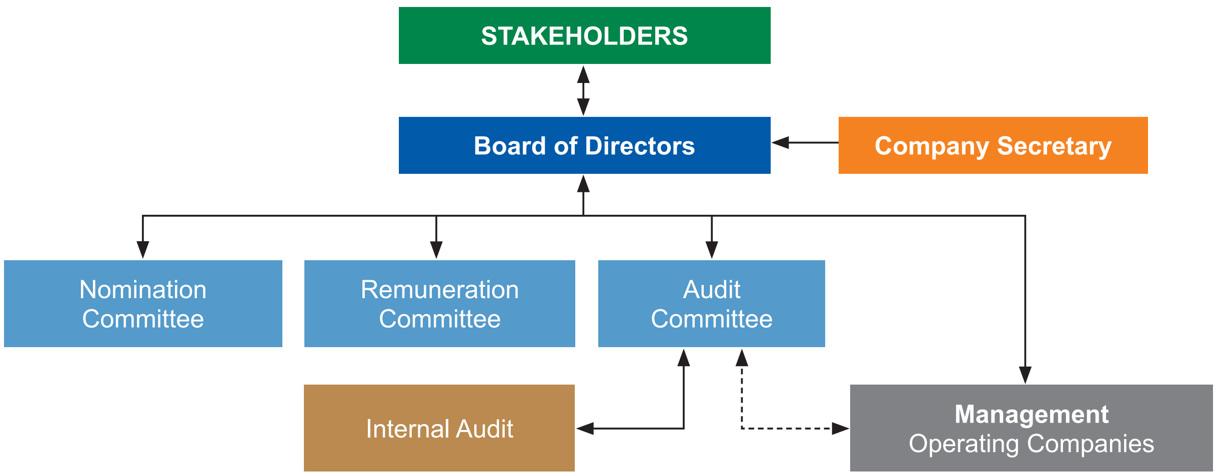
In its deliberation and review of the CG Overview Statement, the Board is satisfied that the practices set out in the MCCG, in all material respects, have been applied to achieve the intended outcomes for the financial year under review except for the following practices:

- Practice 1.3 : Positions of Chairman and Chief Executive Officer are held by different individuals.
- Practice 5.10 : Company's policy on gender diversity for the board and senior management.
- Practice 8.2 : Disclosure on a named basis, the remuneration of top 5 senior management.

A detailed explanation of how the Company has applied each CG practice as set out in the MCCG, taking into consideration the specific circumstances affecting the Group, including alternative measures taken to achieve the intended outcomes and the explanation for non-adoption of or departure from the abovementioned practices, are available in the CG Report for the financial year ended 31 December 2023.

CORPORATE GOVERNANCE FRAMEWORK

The governance structure of the Company where the responsibilities of the Board are delegated to the relevant Board Committees and the Management of the Company is illustrated below:



BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Responsibilities for Leadership and Meeting Objectives and Goals

The Board establishes the vision and strategic objectives of the Group and is entrusted with the responsibility in leading and directing the Group towards achieving its strategic goals, delivering sustainable value and realising long-term shareholders value. The Board is primarily responsible for overseeing the implementation of strategies and plans by the Management, promoting good corporate governance culture and the governance of sustainability within the Group, overseeing the conduct of the Group's businesses, monitoring and evaluating the implementation of appropriate systems and framework to identify, analyse, manage and monitor principal risks, reviewing the adequacy and integrity of the Group's system of internal control, and ensuring effective communications with stakeholders.

The Chairman is primarily responsible in ensuring Board effectiveness and leading the Board in its collective oversight of management whereas the Managing Director ("MD") and the Executive Director ("ED") are responsible for day-to-day management of the Group's businesses and operations including the implementation of business plans, strategies and policies. The distinct and separate roles of the Chairman, MD and ED with clear division of responsibilities are set out in the Company's Board Charter. Notwithstanding, the Company being cognisant of the requirements of the MCCG, given the Chairman's wealth of over 60 years of experience in the business operations of the Group, the history of the Group, its structure, business environment and the territories regionally in which the Group operates, and performance track records, the Chairman also assumes the position of the MD for continuing leadership. In line with the recommendation of the MCCG, the Chairman is not a member of any Board Committees.

The Company Secretaries who have the requisite credentials and qualifications are available and provide support to the Board and Board Committees in ensuring that all of their meetings as well as general meetings are properly convened in accordance with applicable rules and procedures and that the records of the proceedings and resolutions are properly maintained. The Company Secretaries also facilitate the communication of decisions made by the Board and Board Committees to the relevant Management for appropriate actions.

The Directors also have access to the Company Secretaries for advice on their duties and obligations under the CA 2016 and updates on corporate governance matters, statutory and regulatory requirements, and other relevant legislations in addition to administrative matters.

The appointment and removal of the Company Secretaries are subject to the approval of the Board.

The Board, as a whole and its members in their individual capacities, have unrestricted access to complete information on a timely basis in the form and quality necessary for the discharge of their duties and responsibilities. Prior to each Board meeting, all Board members are furnished with the relevant documents and sufficient information to enable them to obtain a comprehensive understanding of the matters to be deliberated upon. Senior Management of the Group are also invited to attend Board meetings to provide their professional views, advice and explanation on specific items on the agenda in order for the Board to arrive at an informed decision.

Besides direct interactions with the Management, external independent professional advisers are also made available at the Company's expense to render their independent views and advice to the Board whenever deemed necessary and under appropriate circumstances or at the request of the Board.

The Board meets on a quarterly basis, with additional meetings convened as and when necessary. During the financial year, 4 Board Meetings were held.

Demarcation of Responsibilities between Board, Board Committees, Individual Directors and Management

As part of the corporate governance process, the Board had formalised and adopted the Board Charter which clearly sets out the composition, roles, responsibilities, powers and processes of the Board, and matters reserved for decision of the Board. In facilitating the discharge of duties by the Board, the Board Charter provides for delegation of responsibilities by the Board to Board Committees via approved Terms of Reference of each Board Committee and the reporting obligations by the Board Committees. The Board Charter sets out responsibilities of the Board to ensure effective interactions between the Management and the Board. The Board Charter also serves as reference criteria for the Board in the assessment of its own performance, individual Directors and the Board Committees. Ultimately, the Board Charter reinforces the overall accountability of both the Board and the Management towards the Company and the stakeholders.

The Board Charter is subject to review by the Board at least once in every 3 years or as and when the need arises and in tandem with any new or revision of relevant statutory and regulatory requirements impacting the responsibilities and discharge of duties by the Board. The Company's Board Charter is available on the Company's website.

In assisting the Board to discharge its oversight functions, the Board delegates certain responsibilities to 3 committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. The Terms of Reference which regulate the affairs and conduct of these Committees spell out their composition, responsibilities, authority and duties. The respective Committees report to the Board on matters considered and their recommendations thereon. The Board may also form other committees delegated with specific authority to act on its behalf whenever required. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Terms of Reference of the respective Committees are available on the Company's website.

The Board delegates to the MD and the ED, the authority and powers of executive management of the Company and its businesses within levels of authority specified from time to time. The MD and the ED may delegate aspects of his authority and powers but remain accountable to the Board for the Company's performance and is required to report regularly to the Board on the progress being made by the Company's business units and operations.

Commitment to Good Business Conduct and Healthy Corporate Culture

The Board in discharging its functions has observed Part A of the Code of Ethics for Company Director & Company Secretary issued by the Companies Commission of Malaysia ("CCM") which can be viewed from the CCM's website at www.ssm.com.my, the provisions of the CA 2016, and the principles of the MCCG.

The Group has in place, a Code of Business Ethics and Conduct ("CoBEC") which covers the ethical values and principles of the Group and provides guidance on acceptable behaviour to all Directors and employees of the Group in operating and managing the Group's businesses and affairs. The CoBEC also sets out key processes and procedures for the managing and reporting of conflict of interest ("COI"), potential COI and related activities in compliance with the Listing Requirements. The CoBEC is further supported by other policies which include the Whistleblower Policy, Anti-Bribery and Corruption Policy ("ABC Policy"), Competition Policy, Sexual Harassment Policy, Sustainability Policy and Framework, Procurement Framework, Integrity and Fraud Risk Policy, and Personal Data Protection Framework of the Group.

The ABC Policy reflects the Group's stand of zero tolerance against all forms of bribery and corruption, and its commitment to lawful and ethical conduct at all times. The ABC Policy further elaborates on the Group's core principles set out in the CoBEC and the Employee Code of Conduct, providing information and guidance to all directors, employees and other stakeholders of the Group concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

The key policies are available on the Company's website under the section "Governance".

Commitment to Address Sustainability Risks and Opportunities in an Integrated and Strategic Manner

The Board shoulders the responsibility of driving economic growth by empowering businesses, and serving in the best interests of the employees, customers, suppliers, community and society at large, while continuously committed to understanding and implementing sustainable practices to achieve the right balance between the objectives of the Shareholders, attaining economic success, protecting the environment and fulfilling ethical obligations to other stakeholders and the wider community (in which the Group has a presence).

Full details of the Group's commitment to sustainability in the aspects of Economic, Environmental and Social impacts are found in the Sustainability Statement in pages 51 to 67 of this Annual Report.

II. BOARD COMPOSITION

Objectivity in Board Decision-Making

The objectivity in decision-making by the Board is driven by its composition, role of independent non-executive directors and competencies of its members. Currently, the Board comprises 6 Directors, 4 of whom are non-executive. Represented on the Board are 3 independent non-executive Directors, effectively constituting half of the Board and whose presence and participation provide independent advice, views and judgement to bear on the decision-making process of the Group in ensuring that a balanced and unbiased deliberation process is in place to safeguard the interests of all stakeholders. As and when a potential conflict of interest arises, it is mandatory practice for the Directors concerned to declare their interests and abstain from the decision-making process.

In accordance with the Company's Constitution, 1/3 of the Directors shall retire from office at every annual general meeting and all Directors shall retire from office at least once in every 3 years. Retiring Directors can offer themselves for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by the Shareholders at the next annual general meeting following their appointment.

The MCCG provides that the tenure of an independent Director shall not exceed a cumulative period of 9 years. Upon completion of the 9 years, an independent Director may continue to serve on the Board as a non-independent Director. In the event such Director is to be retained as an independent Director beyond 9 years, the Board must provide justification and obtain Shareholders' approval through a two-tier voting process.

The Nomination Committee is responsible for recommending to the Board the re-election of Directors and the retention of the independent Directors whose tenure of service will exceed 9 years or has exceeded 9 years. Further, the Board, assisted by the Nomination Committee, assesses the independence of the independent Directors and tenure of each Director on annual basis. In addition, the independent Directors affirm their independence annually to the Board.

Cik Zainab binti Dato' Hj. Mohamed who has served on the Board as an independent non-executive Director for more than 9 years and retires by rotation in accordance with the Company's Constitution, shall retire at the conclusion of the forthcoming 40th Annual General Meeting of the Company in line with the recommendation of the MCCG.

In optimising the collective leadership by the Board in providing clear direction and opportunities for the Group, the Board, in its appointments and composition, pays due recognition to the mix of competencies, expected contributions and diversity representation of the Board. The Board, from time to time, undertakes a review of the merit of the appointment criteria in the context of the Group's businesses and strategies for appropriateness.

The Nomination Committee is responsible for identifying, evaluating and nominating suitable candidates to be appointed to the Board and Board Committees.

As an enhancement to its process of sourcing suitable candidates for the Board, the Nomination Committee may also consider procuring suitable candidates from independent sources, when appropriate and practicable.

In assessing and recommending to the Board suitable candidature of Directors, the Nomination Committee shall consider the broad Fit and Proper, and Independence Criteria as set out in the Directors' Fit and Proper Policy and the following:

- Competencies – qualifications, knowledge including financial literacy, industrial experience and expertise, seniority and past achievements;
- Expected contributions – appointment scope, role, commitment level, professionalism and integrity; and
- Diversity representation – appropriateness and the fulfilment of the Board's desired mix of competencies, age, gender and cultural background.

While recognising the importance of providing fair and equal opportunities for appointment of Board and Senior Management, the Board is supportive of the Government's target of having at least 30% women participation on boards of public listed companies in Malaysia and has applied recommendation of the MCCG. The Board currently has 2 women Directors.

The process and criteria to identify and nominate candidates for appointment as a Director, re-election of existing Directors, and retention of independent Directors are set out in the Board Charter.

A brief description of each Director's background is presented in the respective profile under Directors' Profile on pages 6 to 10 of this Annual Report.

The Nomination Committee comprises 3 members, all of whom are non-executive Directors with a majority of them being independent Directors. The Nomination Committee is chaired by an independent Director. The composition and the Terms of Reference of the Nomination Committee are presented on page 38 of this Annual Report and are available on the Company's website.

Effectiveness of the Board and Individual Directors

The Nomination Committee assesses and evaluates on an annual basis the performance and the effectiveness of the Board as a whole, the Board Committees, the independence of the independent Directors as well as the contribution of each individual Directors and Audit Committee members based on the criteria set out by the Board and in accordance with the respective Board Committee's Terms of Reference.

In the evaluation of the performance of the Board for the financial year, the Directors were also assessed on their commitment in ensuring that Environmental, Social and Governance ("ESG") risks and opportunities as well as stakeholders engagement were considered in the organisation's vision and strategy and that the organisation's sustainability initiatives were communicated to its internal and external stakeholders.

The assessment criteria for review of performance and effectiveness of the Board, Board Committees and individual Directors are set out in the Board Charter.

<u>Time Commitment</u>

A Director shall notify the Chairman of the Board of his/her acceptance of any new directorship in public listed companies. In any event, the maximum number of appointments in public listed companies shall be limited to 5 or any other number as set out in the Listing Requirements.

The notification shall include an assurance of his/her continued time commitment to serve the existing Board and that his/her other appointments shall not be in conflict or compete with the existing appointment with the Company.

Directors' Training

The Board is mindful of the need for continuous training to keep abreast of matters affecting the changing business environment within which the Group operates and is encouraged to attend training programmes/forums/seminars and external programmes facilitated by external professionals in accordance with their respective needs in discharging their duties and roles as Directors pertaining to the laws and regulations which may affect the Group. The Board will continue to evaluate and determine training needs of each Director to enhance Directors' skills and knowledge including financial literacy and sustainability matters. The Company Secretary keeps a complete record of the trainings attended by the Directors.

All Directors had attended the Mandatory Accreditation Programme Part I as required by Bursa Securities.

The Directors are kept up-to-date with market developments and relevant requirements covering corporate governance, regulatory compliance, accounting standards, taxation and other related areas through Board discussion meetings with Management and by email communication. In addition, the Company may arrange site visits for the Directors, whenever necessary, to enhance their understanding of the Group's businesses and have a better awareness of the risks associated with the Group's operations.

Newly appointed Directors are required to attend a familiarisation programme. This includes meeting key senior management to be briefed on the core businesses and operations of the Group. It also serves as a platform to establish effective channel of communication and interaction with Management.

During the financial year, the Directors had attended the following webinars, forum, seminar and other training programmes ("Programmes") on topics in relation to board leadership; corporate governance; business opportunities, investment and prospects in various industries and countries; risk management and internal controls; statutory and regulatory updates and requirements; financial and accounting knowledge and updates; sustainability covering community, environment, marketplace and workplace; and fraud and cyber security risks:

Name of Directors	Programme
Tan Sri Cheng Heng Jem	• Lion Industries Corporation Berhad In-House Briefing for Directors on the Operations and Industrial Matters of the Steel Industry • Bursa Malaysia – Advocacy Session for Directors and CEOs of Main Market Listed Issuers
Cheng Hui Yen, Natalie	• Bursa Malaysia – Advocacy Session for Directors and CEOs of Main Market Listed Issuers • Bursa Malaysia and Ernst & Young – Management of Cyber Risk
Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat	• British American Tobacco (Malaysia) Berhad In-House Directors' Training – Product Update: Update on Vuse • ICDM – Cybersecurity - A Boardroom Agenda • ICDM – Chairman's Masterclass: Driving Sustainability from The Chair
Zainab binti Dato' Hj. Mohamed	• Bursa Malaysia – Public Listed Companies Transformation Programme - #digital4ESG Forum: Exploring the Intersection of Digitalisation and ESG • Bursa Malaysia – COI and Governance of COI

Name of Directors	Programme
Liew Jee Min @ Chong Jee Min	• Bursa Malaysia – Advocacy Session for Directors and CEOs of Main Market Listed Issuers • MIA – Webinar Series: Directors' Interest in Contracts and Conflict of Interests
Ooi Kim Lai	• Bursa Malaysia – COI and Governance of COI • Grant Thornton – Seminar on Developments and Impacts of ESG on Corporate Malaysia • Bursa Malaysia and Ernst & Young – Management of Cyber Risk

The Directors are also updated and apprised on a continuing basis by the Company Secretaries on new and/or revised regulatory and statutory requirements ("Continuing Updates").

The Board, after having undertaken an assessment, viewed that the Directors, having attended the Programmes and having been updated with market developments and relevant requirements, and apprised with the Continuing Updates, had adequately met the training needs of each of the Directors towards enhancing their skills and knowledge in discharging their duties and roles as a Director.

III. REMUNERATION

Level and Composition of Remuneration that Attract and Retain Talents

The Company has a formal remuneration policy for the Board of Directors and Senior Management respectively to ensure that it attracts, retains and motivates experienced, well qualified and high calibre Directors and Senior Management to manage the Company's and the Group's businesses and operations effectively. Directors do not participate in decisions regarding their own remuneration. The Board continues to apply the criteria set for determining the remuneration packages of executive Directors whilst the recommendation made by the Board on the non-executive Directors' fees for approval by Shareholders at the Company's annual general meeting was reflective of the market competitiveness and responsibilities undertaken by the Directors.

The Board delegates the oversight of the remuneration of the MD and the ED to the Remuneration Committee. The composition and the Terms of Reference of the Remuneration Committee are presented on page 40 of this Annual Report and are available on the Company's website.

Remuneration Factoring in Individual and Company's Performance

Details of the remuneration paid or payable to all Directors of the Company for the financial year ended 31 December 2023 are as follows:

	Fees RM'000	Meeting Allowance RM'000	Salaries & Bonuses* RM'000	Benefits-in-kind RM'000	Total RM'000
The Group					
Executive Directors					
Tan Sri Cheng Heng Jem	302	16	2,529	–	2,847
Cheng Hui Yen, Natalie	59	4	445	23	531
Non-executive Directors					
Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat	45	10	–	–	55
Zainab binti Dato' Hj. Mohamed	50	11	–	–	61
Liew Jee Min @ Chong Jee Min	45	11	–	–	56
Ooi Kim Lai	45	9	–	–	54
	546	61	2,974	23	3,604
The Company					
Executive Directors					
Tan Sri Cheng Heng Jem	50	4	120	–	174
Cheng Hui Yen, Natalie	25	4	–	–	29
Non-executive Directors					
Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat	45	10	–	–	55
Zainab binti Dato' Hj. Mohamed	50	11	–	–	61
Liew Jee Min @ Chong Jee Min	45	11	–	–	56
Ooi Kim Lai	45	9	–	–	54
	260	49	120	–	429

Note:

* The salaries are inclusive of employer's provident fund and social welfare contributions.

EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Effective and Independent Audit Committee

The Board affirms its responsibility for the presentation of a balanced and clear assessment of the Group's position, financial performance and future prospects to the Company's stakeholders through the annual financial statements, quarterly financial reports and corporate announcements which are in accordance with the Listing Requirements.

The Audit Committee supports the Board in its responsibility to oversee the financial reporting and the effectiveness of the internal controls of the Group. The Board discusses and reviews the recommendations proposed by the Audit Committee prior to the adoption of the quarterly financial results and the annual audited financial statements of the Group and of the Company, including timely and quality disclosure through appropriate corporate disclosure policies and procedures adopted.

The Audit Committee comprises 4 members, 3 of whom are independent Directors and all 4 members are financially literate. The Chairman of the Audit Committee is elected among the members of the Committee who is not the Chairman of the Board. The Terms of Reference and the main works undertaken by the Audit Committee for the financial year under review are set out in the Audit Committee Report on pages 32 to 37 of this Annual Report.

The Board has established a formal and transparent relationship with the External Auditors through the Audit Committee. The Audit Committee evaluates the performance and assesses the suitability, objectivity and independence of the External Auditors taking into consideration information presented in the External Auditors' Annual Transparency Report and based on the policies and procedures which are in place. The Audit Committee also recommends the re-appointment of External Auditors and their remuneration to the Board. The re-appointment of the External Auditors is subject to the approval of Shareholders at the annual general meeting whilst their remuneration is determined by the Board.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Informed Decisions on Level of Risks and Implementation of Controls in Pursuit of Objectives

The Board has the oversight responsibility of the adequacy and effectiveness of the Group's system of internal control which comprises the governance, risks and controls aspects. The Board believes that effective maintenance of the system is important to help the Group to achieve its various objectives at many levels and having considered the risks that the Group faces whilst balancing out the interests of its many stakeholders and protecting the Group's assets and investments.

The Board fulfils its oversight function of risk management and internal control system via the Audit Committee. An approved Enterprise Risk Management ("ERM") Framework which was developed based on ISO31000 is in place and provides guidance to both the Board and Management on the risk management reporting structure and governance, processes, assessment methodologies and tools. The Management of key operating companies adopt and apply the prescribed methodologies to identify, evaluate, treat, control, track and report the Strategic, Business, Financial and Operational Risks based on the risk appetite set. In addition to the ERM Framework, the Group has in place an approved Compliance Framework which defines the roles and responsibilities to manage compliance risks via the establishment of internal policies, procedures and related framework. It dictates the spheres of compliance governance and promotes effective compliance mechanism in accordance with applicable laws, regulations, rulings, directives and guidelines.

The Internal Audit Function assesses and reports the adequacy and effectiveness of the Group's governance, risk management and internal control system using the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework and provide confirmation of the effectiveness of internal control and risk assessment process by the respective Heads of Operating Companies ("OC") and Heads of accounts and finance of the OC (on financial related matters) with signing-off of the Risk Management and Internal Control – Self-Assessment Questionnaire (RMIC-SAQ) on an annual basis.

An overview of the Board's responsibility, the state and descriptions of the key components of the Group's system of internal control which include the conduct of reviews by the Internal Audit Function, risk management and compliance management are set out in the Statement on Risk Management and Internal Control on pages 24 to 31 of this Annual Report.

Effectiveness of Governance, Risk Management and Internal Control System

The Board has established an Internal Audit Function within the Group to provide assurance on the effectiveness of risk, control, anti-corruption, whistleblowing and governance processes. Oversight of the Internal Audit Function is delegated to the Audit Committee to ensure that there are sufficient resources and internal audits are carried out objectively, effectively and independently. The Internal Audit Function is led by the Group Chief Internal Auditor ("CIA") who reports directly to the Audit Committee. The CIA had resigned on his own accord during the financial year. The Internal Auditors attend all meetings of the Audit Committee. The Audit Committee's review of the scope of work, budget, reports by the Internal Audit Function and the detailed description of the Internal Audit Function are provided in the Audit Committee Report on pages 33 and 34 of this Annual Report.

The Internal Audit Function discharges its duties in accordance with internationally recognised framework and guidelines as described on pages 26 and 27 in the Statement on Risk Management and Internal Control and pages 36 and 37 in the Audit Committee Report of this Annual Report.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

Continuous Communication between the Company and Stakeholders to Facilitate Mutual Understanding of Objectives and Expectations

The Board acknowledges the importance of timely and equal dissemination of material information to the Shareholders, investors and public at large. The Board ensures its adherence to and compliance with the disclosure requirements of the Listing Requirements as well as the Corporate Disclosure Guide issued by Bursa Malaysia Berhad ("Bursa Malaysia").

The Company's Shareholders and members of the public may gain access to any latest corporate information of the Company on its website at www.lion.com.my/parkson which is linked to the announcements published on the website of Bursa Malaysia at www.bursamalaysia.com. The Company's website also provides easy access to the Company's Board Charter, Terms of Reference of Board Committees, key policies and annual reports.

The Group also values dialogues with institutional investors, fund managers and analysts. The Group has been practising open discussions with investors/fund managers/analysts upon request through meetings, teleconferencing and emails. In this regard, information is disseminated with strict adherence to the disclosure requirements of Bursa Securities.

The Board has identified the Company Secretaries to whom concerns may be conveyed and who would bring the same to the attention of the MD and the ED.

II. CONDUCT OF GENERAL MEETINGS

Participation by Shareholders and Informed Voting Decisions

The Board has oversight over the implementation and maintenance of the required effective communications and engagements with Shareholders.

The annual general meetings and other meetings of Shareholders are the principal forum for dialogue with Shareholders. The Company has leveraged technology to facilitate remote participation at general meetings and remote voting by Shareholders. The Remote Participation and Voting facilities provided by a third party Poll Administrator also allow Shareholders to pose questions regarding the proposed resolutions at the said meetings as well as on matters relating to the Group's financial and non-financial performance, long-term strategies, businesses and affairs. The Shareholders may also pose questions prior to the meetings via email. The Chairman, the Board members, Senior Management as well as the External Auditors are in attendance at the meetings to respond to Shareholders' queries. The Chairman also shares with the Shareholders, the Company's responses to questions submitted in advance of the annual general meetings by the Minority Shareholders Watch Group and ensures that meaningful responses are provided to relevant questions posed by the Shareholders. Minutes of the general meetings of the Company are made available on the Company's website within 30 business days after the meetings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") acknowledges the importance of maintaining a sound system of internal control to safeguard the interests of stakeholders (including shareholders' investments) and the Group's assets. The Board is pleased to present the Statement on Risk Management and Internal Control of the Group covering key subsidiaries, which outlines the nature and scope of its internal control and risk management during the financial year under review.

Board Responsibility

The Board affirms its overall responsibility for the Group's internal control system and for reviewing the adequacy and effectiveness of this system which covers governance, enterprise risk management, financial, strategy, organisational, operational, regulatory and compliance controls. However, in view of the inherent limitations in any system, such systems of internal control can only provide reasonable and not absolute assurance against material misstatements, frauds or losses and unforeseen emerging risks.

The Board delegates the oversight of internal control and risk management to the Audit Committee ("AC"). The AC deliberated at its meetings, the adequacy and effectiveness of internal controls based on the findings and outcomes of the audits which were conducted and reported by the Group Internal Audit ("GIA") during the financial year. The reports by the GIA described the issues discovered during the audits and actions taken by Management in addressing them. The Chairman of the AC thereafter briefed the Board members on the proceedings of the AC meetings including highlighting any material matters on internal control or risk management that warranted the Board's attention. Minutes of the AC meetings which recorded these deliberations were also presented to the Board for notation.

Key Components of Internal Control System

The Group's key components of internal control system are as follows:

1. **Integrity and Ethical Values**

   - A Code of Business Ethics and Conduct ("CoBEC") which sets out the principles to guide Directors' and employees' conduct to the highest standards of personal and corporate integrity. The CoBEC covers areas such as conflict of interest, use of company assets, confidentiality of proprietary information, acceptance of gifts and business courtesies, prohibition of kickbacks as well as provisions which cover personal data protection, competition, anti-money laundering and anti-terrorism financing.

   - A groupwide integrity framework which accentuates the Group's commitment to uphold integrity in all manner of conduct by its employees at all times in their interaction with various stakeholders, both internal and external. This framework includes Integrity and Fraud Risk Policy which interphases with many of the existing policies adopted within the Group and also addresses fraud reporting and investigation.

   - An Anti-Bribery and Corruption Policy ("ABC Policy") which reflects the Group's stand of zero tolerance against all forms of bribery, fraud and corruption, and its commitment to lawful and ethical conduct at all times. The ABC Policy elaborates on the Group's core principles set out in the CoBEC and the Employee Code of Conduct, providing information and guidance to all directors, employees and other stakeholders of the Group concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business. The ABC Policy had been reviewed by the Board in June 2023.

   - Annual e-declarations on Conflict of Interest and acknowledgement on the understanding and compliance with the ABC Policy among executive employees being part of the Group's effort in creating awareness and ensuring that the employees understand, observe and uphold high integrity and ethical values in all their business dealings.

- Pursuant to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 which imposes corporate liability on companies for the corrupt practices of its employees and/or any person associated with the companies in cases where such corrupt practices are carried out for the companies' benefit or advantage, the Group had conducted a series of trainings and workshops to brief employees on the adequate procedures (as per guidelines issued under MACC Act 2009) that had been put in place and to equip them with the required understanding of their duties, responsibilities and obligations under this section. The Board and the Management will continue to strengthen the adequate procedures to prevent acts of corruption related to the organisation.

The CoBEC and the ABC Policy are published on the Company's website at www.lion.com.my/parkson.

2. Authority and Responsibility

- The Board establishes the vision and strategic objectives of the Group and is entrusted with the responsibility in leading and directing the Group towards achieving its strategic goals and realising long-term shareholders' value. The Group's business strategic directions are also reflected in the respective operating companies' ("OCs") Corporate Performance Scorecard ("CPS") which are reviewed half-yearly. The Board retains full and effective control of the Group's strategic plans, overseeing the conduct of the Group's businesses, setting policies, implementing, reviewing and maintaining an appropriate system of risk, control and compliance management and ensuring the adequacy and integrity of the Group's system of internal control. The Board is also responsible for ensuring financial integrity, setting the Group's risk appetite, reviewing and approving material transactions, related party transactions, capital financing and succession planning and overseeing the implementation of stakeholder communication.

- The Board delegates to the Managing Director ("MD") and the Executive Director ("ED"), the authority and powers of executive management of the Company and its businesses within levels of authority specified from time to time. The MD and the ED may delegate aspects of their authority and powers but remain accountable to the Board for the Company's performance and are required to report regularly to the Board on the progress being made by the Company's business units and operations. Delegation of responsibilities and accountability by the MD and the ED further down the structure of the Group is communicated and formalised via respective operational structure and organisational chart as well as the authority matrix.

- Board Committees which are guided by respective Terms of Reference were set up to fulfil certain responsibilities delegated by the Board. These Committees assist the Board in promoting governance and accountability as well as overseeing internal controls, Board effectiveness, and nomination and remuneration of Directors and key positions:

  - Audit Committee
  - Nomination Committee
  - Remuneration Committee

- The Management of each operating company is responsible and accountable to the Senior Management, MD, ED and the Board for implementing the frameworks, policies and procedures on risk and internal control as approved or directed by the Board.

3. Organisation Structure

- An operational structure and organisational chart which defines the lines of responsibility and delegation of authority together with a hierarchical structure of reporting and accountability.

- The authority matrix outlines the decision areas and the persons empowered to requisite, authorise and approve the expenditure/commitment. Delegated authority carries with it the obligation to exercise sound judgement, good business sense and accountability.

4. Frameworks, Policies and Procedures

- A set of Group level internal policies and procedures which is maintained centrally and accessible to employees via the intranet. The policies and procedures at both Group level and business or operational level are regularly reviewed for updates to resolve operational deficiencies and to meet new compliance requirements. Enhancement efforts to streamline local policies, guidelines or procedures at business or operational level to key Group Policies and Procedures are continuing.

- A Group Procurement Framework which provides a fairly standardised, uniform and consistent set of controls by promoting accountability, ownership and transparency. This increases the ability of the Group to develop a pool of reliable and competent vendors through proper governance, selection of appropriate procurement methods and vendor management.

- A Group Personal Data Protection Framework which provides guidelines on implementation of controls in business and operations processes in meeting the requirements of data protection principles of Personal Data Protection Act 2010.

- Other key policies such as Competition Policy and Sexual Harassment Policy which complement the Group's CoBEC and ABC Policy. These policies direct the employees to behave ethically and professionally in ensuring compliance with relevant laws and creation of a conducive working environment.

- A Group Sustainability Framework which provides the roadmap to enhance the management of the material Economic, Environmental and Social risks and opportunities as well as stakeholders engagement. It features the four pillars of Sustainability: Environment, Workplace, Community and Marketplace.

5. Planning, Monitoring and Reporting

- An annual exercise involving all business units to prepare a comprehensive budget and business plan which includes development of business strategies and the establishment of key performance indicators against which the overall performance of the companies within the Group can be measured and evaluated.

- Review of key business variables and the monitoring of the achievements of the Group's performance on a quarterly basis by the Board and the AC.

6. Internal Audit

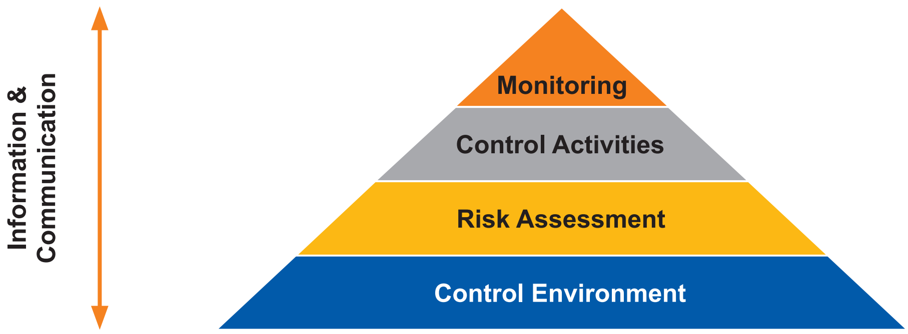
- Internal Audit Charter that is approved by the AC articulates the purpose, responsibility and authority of the GIA function as well as the nature of assurance activities provided by the function.

- Annual Audit Plan that is approved by the AC provides a basis for audit engagements which also considers feedback from the Management. The GIA adopts a risk based audit approach, assesses the selected areas under the audit scope with regard to risk exposures, compliance towards the approved policies and procedures, and relevant laws and regulations and where appropriate, benchmarks against best practices in respective industries.

- Review of business processes and system of internal control and risk management by the GIA which submits its reports to the AC on a quarterly basis. The GIA also established follow-up reviews to monitor and to ensure that the recommendations of internal audit are effectively implemented.

- Confirmation of the effectiveness of internal control and risk assessment process by the respective Heads of OC and Heads of Accounts and Finance of the OC (on financial related matters) with the signing off of the Risk Management and Internal Control – Self-Assessment Questionnaire (RMIC-SAQ) on an annual basis.

- The GIA assesses and reports the adequacy and effectiveness of the Group's governance, risk management and internal control system using the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework. The following 5 inter-related COSO components are considered during the assessment:



7. Risk Management

- The Group has in place a risk management framework, Enterprise Risk Management ("ERM") Framework that is modelled after the widely adopted standard ISO31000 Risk Management – Principles and Guidelines to guide the implementation of a consistent risk management practice across the Group by both the Board and the Management. It recognises that risks are inherent in businesses and views them within the context of risk as an opportunity, uncertainty or hazard.

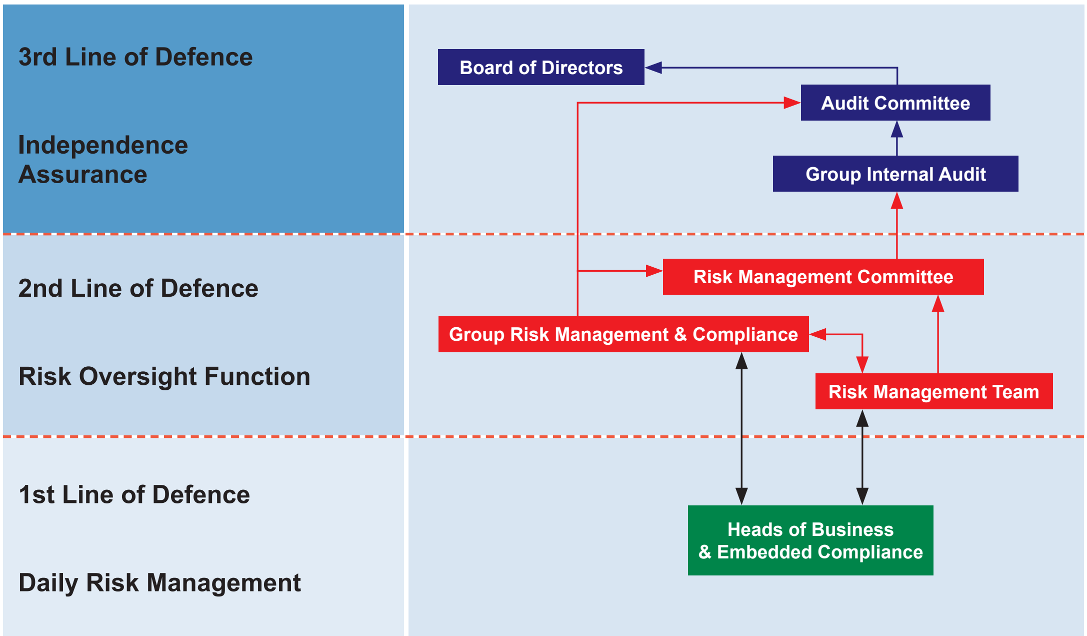
- The ERM Framework provides guidelines on risk governance, risk management process, risk reporting and generic tools to be used by the Group. The design of the risk governance structure therein is premised on 3 lines of defence concept with clear functional responsibilities and accountabilities for the management of risk:

  – The first line of defence under the framework is found at the OCs level where the Head of each OC assumes the overall accountability for the respective OCs' risk management implementation. Each OC's Heads of department would provide support to the Head of OC and supervision of risk management practices in key processes under their respective areas of responsibilities. The Heads of OC, in their half-yearly updates and reporting of respective CPS and Corporate Risk Scorecard ("CRS"), provided confirmation that the risk management process with regard to identification of material issues together with relevant controls and management actions have been adequately complied with.

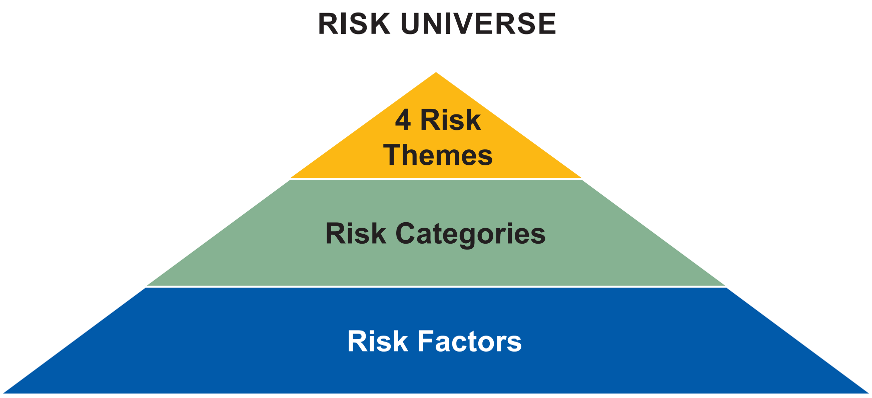
  – The second line of defence provides oversight function via the establishment and roles vested in the OC's Risk Management Team ("RMT") and Risk Management Committee ("RMC") both of which are supported by the Group Risk Management and Compliance ("GRC") department. The RMTs establish their strategy roadmap for every financial year via the CPS and identified, analysed and reported risks to the RMC and AC via the CRS. The GRC provides the reporting templates, updated tools, maintenance of Q-Radar system and facilitation or review of OC's scorecards development or updates with OCs' risk representatives. The RMC receives and reviews the scorecards reports from OCs together with the AC.

  – The third line of defence is realised through the provision of objective and independent challenge by GIA with regard to the level of assurance as provided by business operations and oversight functions. The Board, through the deliberations and recommendations of the AC, sets the overall risk appetite for the Group.

- The risk management organisational structure adopted by the Group is illustrated as follows:



- The Group employs a Risk Universe Listing to facilitate identification of risk across 4 risk themes which are Strategic, Business, Financial and Operational as shown in the illustration below:



- Most OCs of the Group have set risk tolerance ranges, either qualitative or semi-quantitative, for selected result areas via a self-defined risk impact severity table. Such table is referred to together with a risk matrix which provides measurement scales on possibility of risk occurrence and impact. The use of these tools facilitates the measurement of each risk analysed and evaluated at 3 different levels; Inherent, Nett and Target, thereby enabling the RMTs to focus more on the management of high risk areas in line with their risk tolerance.

8. Compliance Management

- Half-yearly Compliance Risk Self-Assessment (CRSA) exercises with mitigations identified to address breaches or material non-compliances.

- Joint review of existing operational practices and selected policies or procedures for possible and appropriate control enhancements. Such exercises may result in revisions of relevant policies or procedures, new policies or procedures, introduction of control tools such as standard templates/ forms and even development of special purpose automated processes.

- A compliance programme reviewed by the AC on an annual basis addressing key compliance areas of statutory and regulatory requirements, codes and internal ethics/standards/policies and procedures. The results and status of the compliance programme were reported by the Compliance Function on a half-yearly basis to the Compliance Committee to monitor and address ongoing changes and implementations in the legislative and regulatory requirements affecting the Group.

9. Safety and Crisis Management

- Establishment of an action plan in the Group's Human Resource – Occupational Safety and Health Act (HR-OSHA) Manual & Guidelines to handle any emergency or crisis covering fire, blackout, bomb threat, earthquake, civil disorder, amongst others, to ensure disaster recovery and business continuity.

  The department stores under the Group also join in the yearly fire drill exercises organised by the various mall management.

- Although the COVID-19 situation is improving, the Group continues to prioritise a safe and healthy workplace for all employees and other stakeholders namely, customers, suppliers, business associates and the general public who visit our department stores.

  The following preventive measures have been implemented:

  (i) Standard Operating Procedures ("SOPs") on safe work procedures communicated to all employees;

  (ii) Established Emergency Response Team (ERT) with SOPs to handle COVID-19 cases;

  (iii) SOPs for working at and undertaking construction/renovation works; and

  (iv) Department stores comply with all SOPs stipulated by the National Security Council (MKN).

- At the Group level, there is an Issue Management and Communication Policy and process established under the Corporate Communications Function to guide the handling of communications, internal and external, in the event of any issue/crisis/disaster.

10. Information and Communication Technology/Management Information System

- A quarterly IT Steering Committee meeting is held where all IT Managers from various operating companies meet. It is a platform which enables collaboration among the operating companies, sharing of experiences and consolidation of standard IT platforms.

- A set of Group IT Policies and Guidelines is in place to govern the operations of IT within the Group. Due to the diversity of businesses, each operating company has its own set of IT Policy adopting the standard Group IT Policy wherever possible and adding policies that are peculiar to the business they are in.

- The Group Human Resources Management System runs off a cloud infrastructure where a single system is used across the Lion Group of Companies. Cloud infrastructure is hosted offsite to protect the sensitivity of data and is supported by a hot Disaster Recovery site to enable quick recovery of data in the event of any unforeseen incident. An annual Disaster Recovery test is carried out to ensure service quality as per agreed service level agreement.

- As part of Lion Group's Cyber Security strategy to mitigate cyber security risks and threats, Group IT and Group Learning & Development had provided and shall continue to provide Cyber Security Awareness Training to educate employees with the objective of safeguarding our businesses and employees.

11. Insurance

- An insurance programme to safeguard major assets against financial loss resulting from property damage, machinery breakdown, business interruption and general liability, which is reviewed annually.

- A yearly exercise to ensure the adequacy and renewal of the Group's Directors' and Officers' Liability insurance.

12. Whistleblowing

- A Whistleblower Policy which provides the channels to report wrongdoings by employees and/or other stakeholders whilst ensuring the integrity of the process and information and also protecting the rights of informants. The implementation of this policy enables the Group to address such concerns that may adversely affect the reputation and interests of the Group more effectively.

- The oversight by the Board and its engagement with the Management in the handling of reported wrongdoings are also set out in the Integrity and Fraud Risk Policy.

Risk Management Process

The OCs' CPS which are prepared every financial year are updated on a half-yearly basis to provide a clear and proper context within which performance-related risks are to be identified, analysed and managed in line with the respective OCs' strategic direction and business objectives. Key Performance Indicators ("KPI") were assigned to these objectives and their performance were tracked by the KPI owners under the supervision of the Heads of the OC.

In establishing a bottom-up reporting of the risk profile of the OCs, the RMT in the respective OCs identified possible and actual risks faced by the OC together with an analysis of the causes, impact and mitigating actions.

The risk owners were responsible to ensure preventative, detective and corrective controls were in place to address these risks. Gaps in controls and continual improvements were implemented through management action plans. This process was executed by the RMTs and documented in the CRS.

The GRC conducted reviews of the risk profiles, either focusing on specific risk issues or the completeness of the risk assessment process for selected risk profiles. The results of the review were communicated to the administrators of risk scorecards and/or Heads of OC for improvement and implementation.

The CPS and CRS were presented by the RMT and RMC to the AC on a half-yearly basis for reviews on the status of the performance objectives and management action plans implementation. These reviews may result in identification of new risks or re-assessment of reported risks. The AC reviewed significant risks, if any, across the risk themes and guided the OCs on further mitigations, where required.

The Heads of the OC, at the half-yearly reporting, had confirmed that the respective OCs' RMT had reviewed and updated the CPS and CRS with the status of all related material information, controls and management actions and that the risk management process had been complied with and information provided therein fairly reflected the position of the OC for the financial year under review.

In all material transactions such as acquisitions and disposals of assets or business and corporate proposals, risks associated with such transactions as analysed by the project team and RMC are presented to the AC and Board for their deliberation and decision making. The AC will review the proposals together with the risks associated therewith after which the Board may approve, decline or modify the proposals in line with the Group's risk appetite and the Group's strategic and business directions.

Conclusion

The Board is of the view that the system of risk management and internal control in place throughout the Group for the financial year under review, and up to the date of approval of this Statement, is sound and effective, providing reasonable assurance that the structure and operation of controls are appropriate for the Group's operations.

Implementation measures are continuously being taken to strengthen the system of risk management and internal control so as to safeguard the Group's assets as well as the shareholders' investments, and the interests of other stakeholders.

Review by External Auditors

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scopes set out in the Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the financial year ended 31 December 2023, and reported to the Board that nothing has come to their attention that has caused them to believe the Statement on Risk Management and Internal Control intended to be included in the Annual Report has not been prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, Corporate Disclosure Guide, Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements") and Corporate Governance Guide, nor is the Statement factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and the Management thereon. The report from the External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Listing Requirements and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board in respect of any aspects of this Statement.

AUDIT COMMITTEE REPORT

The Audit Committee of Parkson Holdings Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2023.

COMPOSITION

As at the date of this Annual Report, the composition of the Audit Committee is as follows:

- **Members**

  Cik Zainab binti Dato' Hj. Mohamed
  (Chairman, Independent Non-Executive Director)

  Y. Bhg. Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat
  (Independent Non-Executive Director)

  Mr Liew Jee Min @ Chong Jee Min
  (Independent Non-Executive Director)

  Mr Ooi Kim Lai
  (Non-Independent Non-Executive Director)

  The respective profiles of the members are set out under Directors' Profile in the Annual Report.

- **Secretaries**

  The Secretaries of Parkson Holdings Berhad, Ms Lim Kwee Peng and Ms Choo Yoon May, are also Secretaries of the Audit Committee.

MEMBERSHIP

The Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than 3 members, all of whom shall be non-executive Directors with a majority of them being independent Directors. The members of the Audit Committee shall elect a chairman among themselves who is an independent Director and who is not the chairman of the Board. The composition of the Audit Committee shall fulfill the requirements as prescribed in the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements").

None of the members of the Audit Committee was a former partner of the External Auditors of the Group.

MEETINGS AND MINUTES

The Audit Committee shall meet at least 4 times annually, and the Group Chief Internal Auditor and the Chief Accountant shall attend the meetings. Relevant members of Senior Management shall be invited to attend these meetings to assist to clarify matters raised at the meetings. A majority of independent Directors present shall form a quorum. The Audit Committee shall meet with the External Auditors without the executive Board members and Management being present at least twice a year.

Minutes of each Audit Committee Meeting were recorded and tabled for confirmation and adoption at the next Audit Committee Meeting and subsequently presented to the Board for notation. The Chairman of the Audit Committee shall report on each meeting to the Board.

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee which are in line with the provisions of the Listing Requirements, the Malaysian Code on Corporate Governance and other best practices are available for reference on the Company's website at www.lion.com.my/parkson.

The Terms of Reference of the Audit Committee were last reviewed in November 2023.

ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year under review, 4 Audit Committee Meetings were held at which, full attendance was recorded for all the members.

The Chief Accountant was present at all the Meetings, while the Group Chief Internal Auditor was present at all the Meetings during his tenure. The Group Chief Internal Auditor had resigned on his own accord during the financial year. Pending the appointment of the new Group Chief Internal Auditor, a Senior Manager from the Group Management Audit Department attended the Audit Committee Meetings, representing the Internal Audit Function.

The Audit Committee carried out its duties for the financial year in accordance with its Terms of Reference.

The main works undertaken by the Audit Committee for the financial year are as follows:

- **Financial Results**

  Reviewed the quarterly interim unaudited financial statements and the annual audited financial statements of the Group prior to submission to the Board for its consideration and approval focusing particularly on changes in or implementation of significant accounting policies and compliance with applicable accounting standards approved by the Malaysian Accounting Standards Board ("MASB"); significant matters highlighted including financial reporting matters, significant transactions and judgements made by Management; and main factors contributing to the financial performance of the Group in terms of revenue and earnings.

  Discussed with Management and External Auditors, and had obtained reasonable assurances that all changes in significant accounting policies had been implemented; applicable accounting standards approved by MASB, provisions of the Companies Act 2016 and requirements under the Listing Requirements had been complied with; significant matters including Key Audit Matters and critical accounting judgements and key sources of estimation uncertainties made by Management had been evaluated by the External Auditors; and impact of new accounting standards for the following financial year, where relevant, had been assessed.

- **Internal Audit**

  (a) Reviewed and approved the annual audit plan to ensure adequate scope and coverage on the activities of the Group, taking into consideration the assessment of key risk areas and ensured that key and high risk areas were audited annually.

  (b) Reviewed the effectiveness of audit programmes, and the adequacy and suitability of the resource requirements and skill levels of the Internal Auditors for the financial year and assessed the performance of the Internal Audit Function.

  (c) Reviewed the internal audit reports, audit recommendations made and Management's response and actions taken to improve the system of internal control and procedures. Where appropriate, the Audit Committee had directed Management to rectify and improve control procedures and workflow processes based on the Internal Auditors' recommendations and suggestions for improvement.

  Audit approach had been determined in areas with weaknesses in control as revealed by the Internal Auditors during their previous audit reviews.

  (d) Monitored the implementation of the audit recommendations to ensure that all key risks and controls had been addressed.

  (e) Reviewed the risk and control profile changes of the annual Risk Management and Internal Control – Self-Assessment ratings submitted by the respective operations management. The Internal Auditors had validated the ratings during their audit review, and adjustments to the ratings, if any, had been made accordingly and reported to the Audit Committee.

(f) Reviewed the report on situations of conflict of interest ("COI"), potential COI and interest in competing business involving the Directors and Key Senior Management that arose or persist in addition to those that may arise.

The Group has in place (i) processes and procedures to mandate the Directors and Key Senior Management encountering a situation of COI to disclose the nature, extent and scope of the conflict as and when any such conflicts arise, in addition to submitting their COI Declaration annually; and (ii) measures to resolve, eliminate, or mitigate COI and potential COI situations.

(g) Reviewed the Sustainability Statement together with the Statement of Assurance issued by the Internal Auditors, and recommended the same for Board's approval for inclusion in the Annual Report.

(h) Reviewed the results of investigative audit reports on internal misconduct and irregularities within the Group tabled during the financial year and ensured appropriate remedial actions/measures were taken. Additional internal control components for better control over areas of weaknesses discovered during the investigative audit had been included in the Risk Management and Internal Control – Self-Assessment Questionnaire ("RMIC-SAQ") to ensure that the operating companies level of internal control was adequately assessed and disclosed.

(i) Reviewed the Statement on Risk Management and Internal Control which provided an overview of the state of internal controls within the Group prior to the Board's approval for inclusion in the Annual Report. The Statement on Risk Management and Internal Control which had been reviewed by the External Auditors is set out on pages 24 to 31 of this Annual Report.

The Audit Committee was satisfied that the system of risk management and internal control in place throughout the Group as described in the Statement on Risk Management and Internal Control, was sound and effective, providing reasonable assurance that the structure and operation of controls were appropriate for the Group's operations. The Audit Committee also acknowledged that implementation measures were continuously being taken to strengthen the system of risk management and internal control so as to safeguard the Group's assets as well as the shareholders' investments, and the interests of other stakeholders.

(j) Reviewed the Group Compliance Framework for the financial year under review with regard to the scope of activities and their progress as set out in the Compliance Program/Work Plan for the financial year.

(k) Approved an annual budget for the Internal Audit Function to effectively carry out its audit plan.

(l) Approved the Audit Committee Report and recommended the same for Board's approval for inclusion in the Annual Report.

- **External Audit**

(a) Reviewed and discussed with External Auditors the audit planning memorandum covering the audit objectives and approach, audit plan, key audit areas and relevant technical pronouncements and accounting standards issued by MASB, and regulating requirements applicable to the Group; and the processes and controls in place to ensure effective and efficient financial reporting and disclosures under the financial reporting standards.

(b) Reviewed and discussed with External Auditors the results of the audit and the audit report in particular, significant accounting matters arising from the external audit and their opinion on the financial statements of the Group and of the Company.

(c) Reviewed with External Auditors the memorandum of comments and recommendations arising from their study and evaluation of the system of internal and accounting controls together with Management's response to the findings of the External Auditors and ensured where appropriate, that necessary corrective actions had been taken by Management.

(d) Evaluated the performance and assessed the suitability, objectivity and independence of the External Auditors during the financial year taking into consideration information presented in the Annual Transparency Report, in accordance with the policies and procedures in place, vide a set of questionnaires covering the calibre of the external audit firm; quality of processes and performance; skills and expertise including industrial knowledge; independence and objectivity; audit scope and planning; audit fees; and their communications with the Audit Committee.

The Audit Committee had received from the External Auditors written confirmation on their independence in accordance with the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and that the External Auditors have in place, policies and procedures to safeguard their independence.

Having satisfied with the performance and the assessment on the External Auditors' suitability, objectivity and independence, recommended to the Board the re-appointment of the External Auditors and their remuneration.

(e) Reviewed and approved the non-audit fees in respect of services rendered by the External Auditors.

(f) Met with the External Auditors without executive Board members and Management twice to discuss matters in relation to their review.

- **Compliance Management**

(a) Conformance to Group policies and procedures

Noted the status and outcome of the half-yearly Compliance Risk Self-Assessment ("CRSA") exercises which seek to identify gaps in compliance with regard to applicable laws, regulations, codes, guidelines and standards, market/industry best practices and Group policies and procedures, and discussed the adequacy of measures to address such gaps or non-compliance. The CRSA questionnaire sets and declarations were completed by the identified Heads of Business, Finance Officers of the Operating Companies ("OCs"), Group Accountants, Company Secretaries, Group Tax, Group Treasury and Group Corporate Planning.

(b) Noted the status of the activities of Group Risk Management and Compliance Department which included monitoring on a half-yearly basis the scope of activities and status of implementation as driven and coordinated by the Group Risk Management and Compliance Department as set out in the Compliance Program/Work Plan for the financial year.

- **Risk Management**

(a) The Audit Committee together with the Risk Management Committee:

  - Monitored the progress on the achievement of targets set for business objectives of OCs for the financial year via review of the Corporate Performance Scorecards updates on a half-yearly basis. The Audit Committee sought explanation/understanding from the Risk Management Team ("RMT") of OCs on non-performance.

  - Reviewed the key risks as reported by the RMTs in their Corporate Risk Scorecards across the wide spectrum of risk facing the businesses and operations which included strategic risk, business risk, financial risk and operational risk. The Audit Committee provided comments on the adequacy and effectiveness of controls and/or management actions identified and/or implemented by the OCs in addressing the identified risks.

(b) The Audit Committee provided assurance to the Board on the risk reporting and review activities that took place during the financial year.

- **Related Party Transactions**

  Reviewed the renewal of Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature for Shareholders' approval to undertake transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of the Group with related parties ("RRPTs").

  The Audit Committee reviewed the review procedures and had opined that they were sufficient to ensure that the RRPTs were not more favourable to the related parties than those generally available to the public and were not to the detriment of the minority shareholders and that the Group had in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and such procedures and processes were reviewed on a yearly basis or whenever the need arose.

INTERNAL AUDIT FUNCTION

The Internal Audit Function is undertaken by the Group Management Audit Department ("GMA Department") and is independent from Management of the Company and the function which it audits. Its principal activity is to perform regular and systematic reviews of the system of internal control so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively.

Mr Wong Poh Tan had resigned on his own accord as the Group Chief Internal Auditor during the financial year. Pending the appointment of the new Group Chief Internal Auditor, a Senior Manager from the GMA Department is carrying out relevant internal audit functions and overseeing audit assignments in the interim.

The purpose, authority and responsibility of the Internal Audit Function as well as the nature of the assurance activities provided by the function are articulated in the Internal Audit Charter approved by the Audit Committee. The Audit Committee is of the opinion that the Internal Audit Function is appropriate to its size and the nature and scope of its activities.

In discharging its function, the GMA Department adopts the *International Standards for the Professional Practice of Internal Auditing* as well as established auditing guidelines to enhance its competency and proficiency.

A risk-based audit plan is tabled to the Audit Committee for approval on an annual basis. The audit plan covers key operational and financial activities that are significant to the overall performance of the Group and is developed to ensure adequate coverage on a regular basis. Key risk areas are continuously identified and prioritised to ascertain the scope of the audit activities through the adoption by the operation management of the RMIC-SAQ, the Corporate Performance Scorecard and the Corporate Risk Scorecard.

During the financial year, the Internal Auditors had conducted independent reviews and evaluated risk exposures relating to the Group's governance, operations and information system as follows:

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations
- Safeguarding of assets
- Compliance with set policies and procedures
- Identification of opportunities to improve the operations and processes
- Investigations and special audit reviews
- Adequacy and effectiveness of the Group's governance, risk management and internal control system using the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework
- Compliance aspects of the Anti-Bribery and Corruption Policy and its programmes
- Disclosures of COI and potential COI situations involving the Directors and Key Senior Management
- Issuance of Statement of Assurance in relation to the Sustainability Statement

The Internal Auditors also established follow-up review to monitor and to ensure that internal audit recommendations are effectively implemented. Significant matters were reported directly to the Audit Committee and Senior Management to ensure improvement and corrective actions are taken.

The internal audit works had been carried out according to the internal audit plan approved by the Audit Committee for the financial year.

An annual assessment for evaluating the adequacy and effectiveness of the Internal Audit Function was carried out in the financial year.

The Internal Auditors are updated on the improvement and development in internal auditing standards, procedures, techniques, corporate governance and the Listing Requirements through the attendance of seminars and talks organised by the Institute of Internal Auditors Malaysia, the Malaysian Institute of Accountants, Bursa Malaysia Berhad and the Securities Commission Malaysia as well as core competency courses organised by professional training establishments. The Audit Committee was also satisfied that pending the appointment of the new Group Chief Internal Auditor, the Internal Audit Function, overseen by a Senior Manager and backed by 6 staff at the managerial and executive levels who possessed the relevant qualifications and experience, has adequate resources to fulfil the internal audit plan for the next financial year.

The Internal Auditors had confirmed that they are free from any relationships or conflicts of interest which could impair their objectivity and independence in their audit assignments.

The total cost incurred in managing the Internal Audit Function of the Group for the financial year was RM262,947.

NOMINATION COMMITTEE

Chairman : Mr Liew Jee Min @ Chong Jee Min
(Independent Non-Executive Director)

Members : Cik Zainab binti Dato' Hj. Mohamed
(Independent Non-Executive Director)

Mr Ooi Kim Lai
(Non-Independent Non-Executive Director)

Terms of Reference :

1. To consider and recommend to the Board, candidates for directorships in the Company.

2. To consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or major shareholder and from independent sources.

   In making a recommendation to the Board on the candidate for directorship, the Committee shall consider the broad Fit & Proper and Independence Criteria as set out in the Board Charter.

   The candidate for an independent non-executive Director should be a person of calibre, credibility and have the necessary skill and experience to bring an independent judgement to bear on issues considered by the Board.

3. To recommend to the Board, Directors to fill the seats on Board Committees.

4. To assist the Board in reviewing on an annual basis, the composition, the required mix of skills, knowledge, experience, diversity and other qualities, including core competencies which each individual Director including the independent non-executive Director should bring to the Board, to enable the Board to function effectively, and strengthen board leadership and oversight of sustainability issues.

5. To establish and implement processes to assess, on an annual basis, the effectiveness of the Board as a whole and the committees of the Board; the independence of the independent Directors; the contribution of each individual Director; and the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their Terms of Reference, based on the process and procedure laid out by the Board.

6. To recommend to the Board:

   (a) the re-election of those Directors who are retiring at an annual general meeting ("AGM") of the Company and to put forward their re-election for approval at the AGM; and

   (b) the continued retention of any independent non-executive Director who has served for a cumulative period of more than 9 years as an independent non-executive Director or otherwise. Any retention of an independent Director who has served a cumulative period of 9 years shall be subject to Shareholders' approval in line with the recommendation of the Malaysian Code on Corporate Governance. Notwithstanding, the tenure of an independent Director shall not exceed a cumulative period of more than 12 years.

7. To review the induction and training needs of Directors.

8. To consider other matters as referred to the Committee by the Board from time to time.

NOMINATION COMMITTEE REPORT

The Nomination Committee comprises 3 members, all of whom are non-executive Directors with a majority of them being independent Directors. The Nomination Committee is chaired by Mr Liew Jee Min @ Chong Jee Min who is an independent Director.

Appointment to the Board and the Effectiveness of the Board

The Nomination Committee is responsible for identifying, evaluating and nominating suitable candidates with the necessary mix of skills, knowledge, experience and competencies for appointment to the Board and Board Committees to ensure the effectiveness of the Board and the Board Committees. The Nomination Committee shall conduct skills and gap analyses from time to time or when required in identifying candidatures for appointment. As an enhancement to its process, the Nomination Committee may also consider procuring suitable candidates from independent sources, when appropriate and practicable. The Nomination Committee assesses and evaluates on an annual basis the performance and the effectiveness of the Board as a whole, the Board Committees, the independence of the independent Directors as well as the contribution of each individual Directors and Audit Committee members based on the criteria set out by the Board and in accordance with the respective Board Committee's Terms of Reference.

The assessment criteria of the Board's evaluation/performance review process as well as the process and criteria to (i) identify and nominate candidates for appointment as a Director; (ii) re-elect existing Directors; and (iii) retain independent Directors, are set out in the Directors' Fit and Proper Policy included in the Board Charter.

In assessing and recommending to the Board suitable candidature of Directors, the Nomination Committee shall consider the competencies, expected contributions and diversity representation covering the qualifications, knowledge including financial literacy, industrial experience and expertise, seniority and past achievements, appointment scope, role, commitment level, professionalism and integrity, and the appropriateness and the fulfilment of the Board's desired mix of competencies, age, gender and cultural background which would contribute to the overall desired composition of the Board.

The Directors' mix of skills are set out in the respective profile under Directors' Profile on pages 6 to 10 of this Annual Report.

Activities of the Nomination Committee for the Financial Year

The Nomination Committee met once since the date of the last Annual Report and all the members attended the Meeting.

The Nomination Committee had carried out the following duties for the financial year in accordance with its Terms of Reference:

(i) Reviewed and enhanced the evaluation forms in relation to the annual evaluation of the performance and the effectiveness of the Board as a whole, the Board Committees, the independence of the independent Directors and the contribution of each individual Directors and Audit Committee members taking into consideration the requirements and recommendations under the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Malaysian Code on Corporate Governance ("MCCG") and guidance under the Corporate Governance Guide (4th Edition).

(ii) Reviewed and assessed the performance and the effectiveness of the Board as a whole, the Board Committees, the independence of the independent Directors as well as the contribution of each individual Directors and Audit Committee members based on the broad Fit and Proper, and Independence Criteria as set out in the Directors' Fit and Proper Policy using a set of quantitative and qualitative performance evaluation forms adopted by the Nomination Committee, and was satisfied that (a) the Board composition in term of size, mix of competencies and diversity representation and the balance between executive, non-executive and independent Directors was adequate and in line with the Group's business operations and needs; and (b) the Board as a whole and the Board Committees had discharged their duties and responsibilities effectively at all times. The Nomination Committee was also satisfied with the level of independence of all the independent non-executive Directors and their ability to act in the best interests of the Company and the minority shareholders of the Company.

(iii) Reviewed the departure from the recommended practice under the MCCG of separating the functions of the Chairman and the Managing Director, and considered it appropriate under the present circumstances.

(iv) Reviewed the term of office and performance of the Audit Committee as a whole and each of its members including an assessment of their financial literacy, and assessed and evaluated the effectiveness of the Audit Committee in conducting its activities in accordance with its Terms of Reference, and was satisfied that the Audit Committee and its members had carried out their duties effectively and were financially literate and able to understand matters under the purview of the Audit Committee including financial reporting process.

(v) Reviewed the retirement by rotation of Mr Ooi Kim Lai, and having satisfied that he had discharged his duties and responsibilities effectively at all times, recommended his re-election for Board's consideration, which shall be tabled for approval of the Shareholders at the forthcoming 40th Annual General Meeting of the Company ("40th AGM").

(vi) Discussed the vacancies arising from the impending retirement of Cik Zainab binti Dato' Hj. Mohamed at the 40th AGM and the appointment of a new independent Director in due course.

(vii) Reviewed the training needs of the Directors and was satisfied that the Directors having attended the relevant training programmes and having been updated with market developments and relevant requirements through Board discussion meetings with Management and by email communication, and apprised on a continuing basis by the Company Secretaries on new and/or revised regulatory and statutory requirements, had adequately met the training needs of each of the Directors towards enhancing their skills and knowledge in discharging their duties and roles as a Director.

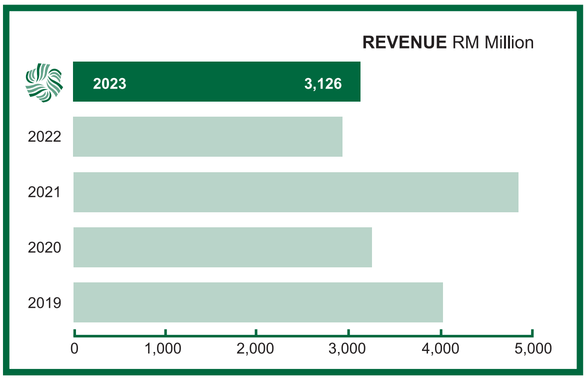
(viii) Approved and recommended for Board's consideration the Nomination Committee Report incorporating the Nomination Committee's activities for inclusion in the 2023 Annual Report.

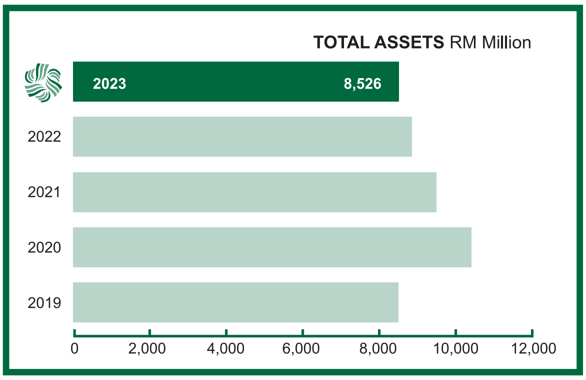
REMUNERATION COMMITTEE

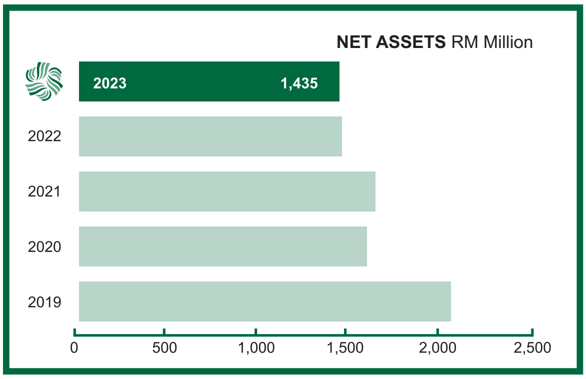
Chairman	:	Mr Liew Jee Min @ Chong Jee Min *(Independent Non-Executive Director)*
Members	:	Y. Bhg. Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat *(Independent Non-Executive Director)* Cik Zainab binti Dato' Hj. Mohamed *(Independent Non-Executive Director)*
Terms of Reference	:	• To recommend to the Board, the remuneration of the executive Directors in all its forms, drawing from outside advice as necessary. • To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

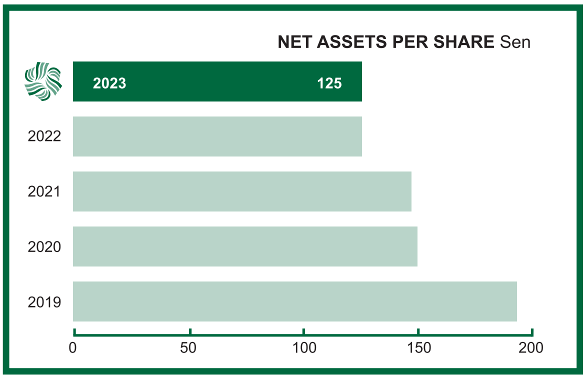
5 YEARS GROUP FINANCIAL HIGHLIGHTS

Financial years/period		12 months ended 30 June 2019	12 months ended 30 June 2020	18 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2023
Gross sales proceeds	(RM'000)	10,453,601	7,923,499	11,715,225	7,046,841	**7,370,013**
Revenue	(RM'000)	4,032,665	3,251,152	4,845,309	2,922,581	**3,125,907**
Profit/(loss) before tax	(RM'000)	(24,135)	(552,122)	(30,596)	(161,473)	**100,435**
Profit/(loss) after tax	(RM'000)	(152,268)	(627,248)	(129,931)	(192,243)	**28,928**
Net loss attributable to owners of the parent	(RM'000)	(129,184)	(436,354)	(101,800)	(109,665)	**(19,186)**
Total assets	(RM'000)	8,535,916	10,455,546	9,544,301	8,859,509	**8,525,947**
Net assets	(RM'000)	2,046,888	1,586,944	1,644,742	1,438,464	**1,435,353**
Total borrowings	(RM'000)	2,496,668	2,031,366	1,390,235	1,738,850	**1,739,945**
Loss per share	(Sen)	(12.1)	(40.9)	(9.5)	(9.6)	**(1.7)**
Net assets per share	(Sen)	192	149	147	125	**125**









CHAIRMAN'S STATEMENT

TAN SRI CHENG HENG JEM
Chairman

On behalf of the Board of Directors, I hereby present the Annual Report and Audited Financial Statements of Parkson Holdings Berhad ("Company" or "Group") for the financial year ended 31 December 2023.

FINANCIAL PERFORMANCE

2023 was a year full of challenges and uncertainties in the global market. The world economy is still in a state of slow recovery with insufficient growth momentum, and is facing multiple pressures and challenges, such as the inflationary pressures, high cost of living and rising cost of doing business.

Despite these challenging circumstances, I am pleased to report that the Group was able to deliver the following encouraging operating results (continuing operations) for the financial year ended 31 December 2023 ("FYE 2023"):

- Revenue of RM3,122 million as compared to RM2,915 million in the previous year; and
- Operating profit of RM512 million as compared to RM225 million in the previous year.

For the FYE 2023, the Group's retailing operations in Malaysia reported an improvement in revenue, but with a lower operating profit attributed primarily to the increase in operating costs. Meanwhile, the overall performance of Parkson China, the major contributor of the Group's retailing operations, has improved which is attributable to the full lifting of COVID-19 related prevention and control measures since end of 2022. The Group's newly-renovated investment property, the *Fuxingmen Parkson* building in Beijing, has further added rental income contributing to the commendable revenue performance and profitability for Parkson China.

During the financial year under review, the Group ceased its operations in Vietnam and continues to focus on its Malaysia and China operations where it has 37 and 43 Parkson stores respectively.

PROSPECTS

On the retailing operations in **Malaysia**, the Group acknowledges the potential impact of inflationary pressures and higher cost of living on consumer sentiments. However, the Group believes that it is able to mitigate these challenges through strategies on improving gross margins and sales productivity developed over the years, and remains steadfast in its commitment to improving and sustaining financial performance by implementing cost rationalisation measures.

The **China** economy is expected to stabilise in 2024 with policies geared towards economic recovery, but it also faces multiple pressures and challenges. The Group will closely monitor the post-pandemic changes in consumption behaviour and adjust its strategy accordingly. The Group is confident that with its business strategies and extensive experience in the retail market over the past three decades, it can achieve stable and sustainable performance, and create long-term value for the shareholders.

BOARD OF DIRECTOR

Cik Zainab binti Dato' Hj. Mohamed will be retiring at the forthcoming 40th Annual General Meeting of the Company and is not seeking re-election as Director of the Company. Cik Zainab also serves as the Chairman of the Audit Committee and is a member of the Nomination Committee and Remuneration Committee of the Company. On behalf of the Board, I would like to express my sincere appreciation to Cik Zainab for her invaluable contribution during her tenure as a Director of the Company and a member of the Board Committees of the Company.

APPRECIATION

On behalf of the Board, I wish to extend my sincere thanks and appreciation to all our valued shareholders, customers, suppliers, financiers, business associates and Government authorities for their continued support, co-operation and confidence in the Group.

I would also like to convey my sincere appreciation and gratitude to my fellow Directors for their invaluable guidance, support and contribution throughout the year. Last but not least, I would like to express my heartfelt thanks to our Management and staff for their dedication, commitment and contribution to the Group.

TAN SRI CHENG HENG JEM
Chairman

PENYATA PENGERUSI

Bagi pihak Lembaga Pengarah, saya dengan ini membentangkan Laporan Tahunan dan Penyata Kewangan Beraudit Parkson Holdings Berhad ("Syarikat" atau "Kumpulan") bagi tahun kewangan berakhir 31 Disember 2023.

PRESTASI KEWANGAN

Tahun 2023 merupakan satu tahun yang penuh cabaran dan ketidaktentuan di pasaran global. Ekonomi dunia masih berada dalam proses pemulihan yang perlahan berikutan kekurangan momentum pertumbuhan, dan menghadapi pelbagai tekanan serta cabaran, seperti tekanan inflasi, kos sara hidup yang tinggi dan peningkatan kos menjalankan perniagaan.

Di sebalik persekitaran yang mencabar ini, saya dengan sukacitanya melaporkan bahawa Kumpulan berjaya mencatatkan keputusan operasi (operasi berterusan) yang menggalakkan bagi tahun kewangan berakhir 31 Disember 2023 ("TK 2023") seperti berikut:

- Pendapatan sebanyak RM3,122 juta berbanding RM2,915 juta pada tahun sebelumnya; dan
- Keuntungan operasi sebanyak RM512 juta berbanding RM225 juta pada tahun sebelumnya.

Bagi tempoh TK 2023, operasi peruncitan Kumpulan di Malaysia mencatatkan peningkatan pendapatan, tetapi keuntungan operasi pula lebih rendah disebabkan terutamanya oleh kenaikan kos operasi. Sementara itu, prestasi keseluruhan Parkson China, penyumbang utama operasi peruncitan Kumpulan, semakin baik berikutan penarikan balik sepenuhnya langkah-langkah pencegahan dan kawalan berkaitan COVID-19 sejak akhir tahun 2022. Hartanah pelaburan Kumpulan yang baru menjalani proses pengubahsuaian iaitu Bangunan *Fuxingmen Parkson* di Beijing, juga menyumbang kepada peningkatan pendapatan sewa yang membolehkan Parkson China mencatat prestasi pendapatan dan keuntungan yang membanggakan.

Pada tahun kewangan dalam kajian, Kumpulan telah menamatkan operasinya di Vietnam, dan kekal menumpukan kepada operasi di Malaysia dan China dengan masing-masing memiliki 37 dan 43 gedung Parkson.

PROSPEK

Bagi operasi peruncitan di **Malaysia**, Kumpulan menyedari akan kesan daripada tekanan inflasi dan kos sara hidup yang lebih tinggi ke atas sentimen pengguna. Walau bagaimanapun, Kumpulan percaya bahawa ianya dapat diringankan melalui beberapa strategi untuk meningkatkan margin kasar dan produktiviti jualan yang dibangunkan sejak bertahun, selain kekal gigih dalam komitmennya untuk menambah baik dan mengekalkan prestasi kewangan melalui pelaksanaan langkah-langkah rasionalisasi kos.

Ekonomi **China** dijangka stabil pada tahun 2024 berikutan pelaksanaan dasar-dasar yang menjurus ke arah pemulihan ekonomi, namun ianya juga berdepan dengan pelbagai tekanan dan cabaran. Kumpulan akan memantau dengan teliti sebarang perubahan dalam tingkah laku penggunaan selepas pasca-pandemik dan menyesuaikan strateginya mengikut kewajaran. Kumpulan yakin dengan strategi perniagaan dan pengalaman luas dalam pasaran runcit sepanjang tiga dekad yang lalu, ia mampu mencapai prestasi yang stabil dan mampan, dan mencipta nilai jangka panjang untuk para pemegang saham.

LEMBAGA PENGARAH

Cik Zainab binti Dato' Hj. Mohamed akan bersara menjelang Mesyuarat Agung Tahunan Syarikat ke-40 akan datang telah menyatakan hasrat untuk menarik diri daripada dilantik semula sebagai Pengarah Syarikat. Cik Zainab juga merupakan Pengerusi Jawatankuasa Audit dan ahli Jawatankuasa Pencalonan dan Jawatankuasa Ganjaran. Bagi pihak Lembaga Pengarah, saya ingin merakamkan setinggi-tinggi penghargaan kepada Cik Zainab atas sumbangan beliau yang tidak ternilai di sepanjang tempoh menjadi Pengarah Syarikat dan ahli kedua-kedua Jawatankuasa tersebut.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin mengucapkan terima kasih dan merakamkan penghargaan tulus ikhlas kepada para pemegang saham, pelanggan, pembekal, pembiaya, rakan perniagaan dan pihak berkuasa Kerajaan atas sokongan, kerjasama serta keyakinan mereka yang berterusan kepada Kumpulan.

Saya juga ingin menzahirkan penghargaan tulus ikhlas kepada rakan-rakan Pengarah atas bimbingan, sokongan dan sumbangan yang tidak ternilai sepanjang tahun kewangan ini. Akhir kata, saya ingin mengucapkan ribuan terima kasih kepada pihak Pengurusan dan warga kerja atas dedikasi, komitmen dan sumbangan mereka kepada Kumpulan.

TAN SRI CHENG HENG JEM
Pengerusi

主席报告

我谨代表董事部，提呈百盛控股有限公司（“公司” 或 “集团”）截至2023年12月31日会计年度的常年报告和经审核财务报表。

财务表现

2023年是全球市场充满挑战和不确定性的一年。全球经济仍然处在缓慢复苏的状态，成长动力不足，也面对多种压力和挑战，诸如通货膨胀压力、生活费用高涨以及经商的成本上升。

尽管面临这些充满挑战的情况，我欣然地报告，截至2023年12月31日会计年度，本集团录得下述令人鼓舞的业绩（“持续经营”）：

- 营业额共31亿2千200万令吉，上一个年度是29亿1千500万令吉；以及
- 营业利润共5亿1千200万令吉，上一个年度是2亿2千500万令吉。

在2023会计年度，本集团在马来西亚的零售业务的营业额有所改善，但营业利润较低，主要是由于营运成本的增加。另一方面，中国百盛，本集团零售业务的主要贡献者，整体表现有所改善，主要是由于疫情相关防控措施自2022年年底以来的全面解除。本集团位于北京新装修的投资物业，复兴门百盛大厦，更为中国百盛带来额外的租金收入，从而取得可观的营业额和利润。

在受检讨的会计年度内，本集团停止在越南的业务并继续专注于马来西亚和中国分别有37家和43家百盛门店的业务.

展望

关于在**马来西亚**的零售业务，本集团承认通货膨胀压力和高昂的生活费用对消费者情绪的潜在冲击。然而，本集团相信能通过多年来制定的提高毛利率和销售生产力的策略来缓解这些挑战，并坚定地致力于通过实施成本合理化措施来改善和维持财务表现。

随着政策有利于经济复苏，预料2024年**中国**经济趋稳，但也会面临各种压力和挑战。本集团将密切关注疫情后消费行为的变化，并相应调整策略。本集团深信凭借过去30年在中国零售市场的业务策略和广泛的经验，我们能够实现稳定和可持续性的表现，并为股东们创造长远价值。

董事部

Cik Zainab binti Dato' Hj. Mohamed 将在本公司即将召开的第40届常年大会退休并不寻求连任本公司董事。Cik Zainab 也担任本公司审核委员会主席以及提名委员会和薪酬委员会的会员。我谨代表董事部对Cik Zainab 在担任本公司董事以及本公司董事会委员会会员期间作出的宝贵贡献表示衷心感谢。

鸣谢

我谨代表董事部，真诚感谢我们所有尊贵的股东、客户、供应商、金融机构、商业伙伴以及政府机构继续给予本集团支持、合作与信任。

我也要真诚感谢董事们这一年来给予宝贵的指导、支持与贡献。最后，我也要衷心感谢我们的管理层和职员们对集团的奉献、承诺与贡献。

主席
丹斯里锺廷森

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATIONS

The Group is principally engaged in the operation of the "*Parkson*" brand department stores. Its stores offer a wide range of internationally renowned brands of fashion and lifestyle related merchandise in 4 main categories namely, *Fashion & Apparel, Cosmetics & Accessories, Household & Electrical,* and *Groceries & Perishables*, essentially targeting the young and contemporary market segment.

In addition, the Group is also involved in the retailing of fashionable goods, consumer financing business and operation of food and beverage ("F&B") outlets.

The businesses of the Group are spearheaded by Parkson Retail Group Limited, listed on The Stock Exchange of Hong Kong Limited, which operates 43 retail stores in 29 cities across China; and Parkson Retail Asia Limited, listed on the Singapore Exchange Securities Trading Limited, that operates 37 retail stores in Malaysia.

The number of owned and managed stores in each location is as follows:

As at 31 December	Number of Stores 2023	2022
Malaysia	**37**	38
China	**43**	42
Vietnam (#)	**–**	1
	80	81

(#) : Ceased its operations during the financial year under review.

OVERVIEW

	2023 RM Million	2022 RM Million	Change
Consolidated Statement of Profit or Loss			
Continuing operations			
Gross sales proceeds	**7,360**	7,018	5%
Revenue	**3,122**	2,915	7%
Operating profit	**512**	225	>100%
Profit/(loss) before tax	**115**	(154)	>100%
Consolidated Statement of Financial Position			
Total assets	**8,526**	8,860	-4%
Deposits, cash and bank balances	**1,495**	1,306	14%
Total liabilities	**6,108**	6,489	-6%
Total borrowings	**1,740**	1,739	0.1%
Net assets	**1,435**	1,438	-0.2%

For the financial year ended 31 December 2023 ("FYE 2023"), the Group generated a higher gross sales proceeds of RM7,360 million with revenue increasing by 7% to RM3,122 million, attributed to the revival of shopper traffic at our retailing stores following the reduced impact of COVID-19, coupled with the additional rental income source from an investment property in Beijing, China.

The Group's operating profit surged to RM512 million for the FYE 2023 as compared with RM225 million last year. The improvement was attributed to the higher revenue, together with the Group's ongoing efforts in optimising stores' effectiveness and implementing cost rationalisation measures. Accordingly, the Group reported a profit before tax of RM115 million, a turnaround from the loss before tax of RM154 million recorded a year ago.

As at 31 December 2023, the Group's total assets decreased by 4% to RM8,526 million due to the impairment loss on assets, in addition to depreciation and amortisation. The increase in the deposits, cash and bank balances to RM1,495 million was mainly driven by the net cash inflow from the Group's operating activities. Total liabilities reduced by 6% to RM6,108 million, with total borrowings standing at RM1,740 million, primarily due to repayment to creditors and suppliers. The Group's net assets stood at RM1,435 million or RM1.25 per share (31.12.2022: RM1,438 million or RM1.25 per share).

REVIEW OF OPERATIONS

Malaysia

	Financial year ended 31 December	
	2023	**2022**
Number of stores	**37**	38
Revenue (RM Million)	**769**	755
Segment profit (RM Million)	**191**	209

Compared with a year ago which saw a revival in its stores' footfall in tandem with the full lifting of movement restrictions, the Group's retailing operations in Malaysia achieved a 2% increase in revenue to RM769 million for the FYE 2023 amidst a weaker consumer sentiment since the second quarter of FYE 2023 brought about by the inflationary pressures and rising cost of living. However, the operations reported a lower operating profit of RM191 million as compared with RM209 million a year ago, attributed primarily to the increase in operating costs.

In December 2023, Parkson Malaysia opened *Parkson Summer Mall*, marking its inaugural establishment in Kota Samarahan, Sarawak. As the Group actively pursues avenues for new stores opening, it is concurrently undertaking stores renovation to enhance the overall shopping experience for its customers. The Group continues to stay focused on improving stores' productivity and optimising operating efficiencies. During the FYE 2023, *Parkson The Spring Kuching* and *Parkson Nu Sentral* were closed at the expiration of their lease commitments.

Looking ahead, the Group acknowledges the potential impact of inflationary pressures and higher cost of living on consumer sentiments. However, the Group believes that it is able to mitigate these challenges through strategies on improving gross margins and sales productivity developed over the years, and remains steadfast in its commitment to improving and sustaining financial performance by implementing cost rationalisation measures.

China

	Financial year ended 31 December	
	2023	**2022**
Number of stores	**43**	42
Revenue (RM Million)	**2,278**	2,107
Segment profit (RM Million)	**317**	27

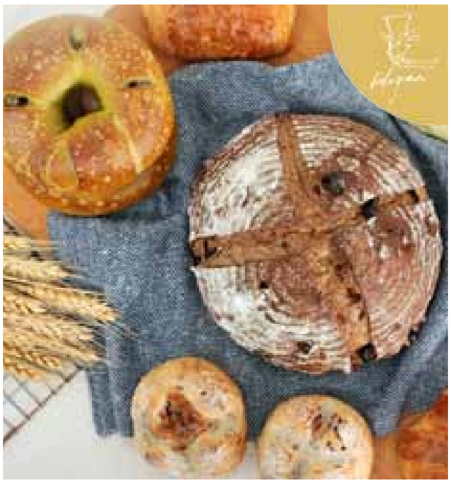
For the FYE 2023, Parkson China registered a commendable revenue growth of 8% to RM2,278 million compared with RM2,107 million a year ago. This growth was credited to the resurgence of shopper traffic at our retailing stores following the full lifting of COVID-19 related prevention and control measures since end of 2022, coupled with the additional rental income source from the Group's newly-renovated investment property, the *Fuxingmen Parkson* building in Beijing.

The higher revenue, together with the ongoing efforts in optimising operating efficiencies and stringent cost control measures, have resulted in Parkson China achieving an impressive operating profit of RM317 million for the current financial year.

The Group is implementing its strategies of "Multiple Stores in a City" and "Model Innovation" to meet the changing consumption pattern. During the FYE 2023, the Group opened Yichun store and Nanchang Liantang store, the Group's third and fourth stores in Jiangxi Province. Furthermore, plans are underway to open new stores in markets that the Group is very familiar with, aiming to gain greater market share in the long run.

Amidst ongoing market changes and intense competition, the Group remains focused on its main business while diversifying its income sources and exploring various business models in driving sustainable development. The Group's beauty concept store, namely "Parkson Beauty" specialises in premium cosmetics, skincare products and beauty services offering fashionable products and personalised beauty service to esteemed customers. The Group closely monitors the development trends of the beauty market and promptly launches targeted strategies for the beauty sector, aiming to attract the younger generation of consumers through customised service experiences.

The China economy is expected to stabilise in 2024 with policies geared towards economic recovery, but it also faces multiple pressures and challenges. The Group remains vigilant in monitoring the post-pandemic changes in consumption behavior and adjusting its strategy accordingly. The Group is confident that with its business strategies and extensive experience in the retail market over the past three decades, it can achieve stable and sustainable performance, and create long-term value for the shareholders.



Others

	Financial year ended 31 December	
	2023	**2022**
Revenue (RM Million)	**75**	54
Segment profit/(loss) (RM Million)	**4**	(11)

Results of this Division were mainly derived from the consumer financing business, operation of F&B business and investment holding. For the FYE 2023, the Group's consumer financing business continued to demonstrate growth in both revenue and operating profit whilst the bakery operation showed improvement in visitor traffic over the previous year.

The Group's consumer financing business carried out by *Parkson Credit* provides credit financial services such as purchasing products via instalment payments to customers through its financial technology platform. For the FYE 2023, the operations posted a revenue of RM67 million with an operating profit of RM30 million. While *Parkson Credit* strives to grow its market presence, stringent credit management in respect of under-performing/non-performing loan receivables continues to be pursued in driving operational efficiencies and profitability.

Our *Hogan* bakery outlets have seen year-on-year improvement attributed to the encouraging foot traffic following the reduced impact of COVID-19 pandemic. The Group is placing more emphasis on further improving the productivity of the outlets.

SUSTAINABILITY STATEMENT

Parkson Holdings Berhad ("Company") is pleased to present its Sustainability Statement which provides an overview of its Economic, Environmental and Social ("EES") practices for financial year ended 31 December 2023 ("FY2023").

The Company is an investment holding company with stakes in Parkson Retail Asia Limited ("PRA") and Parkson Retail Group Limited ("PGRL"), listed on the Singapore Exchange Securities Trading Limited and The Stock Exchange of Hong Kong Limited respectively. Its subsidiaries are involved in retail business, operation of department stores, and food and beverage ("F&B") businesses, investment holding, property management, property development and project management, provision of consultancy and/or management services, wholesale and retail of cosmetic and related products, distribution and retailing of fashionable goods, provision of money lending and credit services, and intellectual property holding.

PRA operates 37 Parkson department stores in Malaysia. PRGL, one of the premier retail operators in the People's Republic of China ("PRC") operates and manages 43 department stores (including "Parkson Beauty" concept stores), 1 Lion Mall, 2 Parkson Newcore City Malls, supermarkets, fashion, and F&B outlets in 29 major cities in the PRC and Laos. PRGL is also involved in the consumer financing business through Parkson Credit Sdn Bhd ("Parkson Credit") which provides the convenience of purchasing motorcycles and household appliances via easy instalment payment.

BASIS OF SCOPE

This Sustainability Statement covers the Group's operations in Malaysia namely Parkson departmental stores, Parkson Branding and Innovation division, Parkson Credit and Hogan Bakery.

REPORTING FRAMEWORK AND STANDARDS

We have taken steps to incorporate standard disclosures in accordance to the Global Reporting Initiative ("GRI") Standards and Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("Listing Requirements") with reference to its Sustainability Reporting Guidelines. The standard disclosures are also aligned with the United Nations Sustainable Development Goals ("UNSDGs").

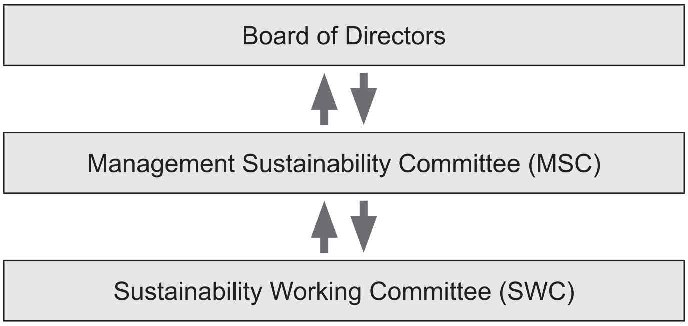
The Group is working to adopt the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") with effect from FY2025. We will continue to improve our disclosures to align with best practice reporting standards.

APPROACH TO SUSTAINABILITY

Our sustainability approach is guided by Lion Group's mission "We are committed to make Lion Group a caring organisation and be recognised for excellence in quality, growth and profitability", of which the Group is a member.

We have adopted a holistic sustainability approach across our business operations and functions. The strategic direction guided by the Board of Directors, with the Head of Company/Business taking on the executive role for effective and efficient implementation, and driven via collaboration amongst various Departments and Business Units across the Group.

SUSTAINABILITY STRUCTURE



The Board of Directors has oversight of the Group's strategic direction on sustainability.

The MSC is chaired by the Head of Company/Business, and assists the Board with strategic direction of sustainability matters. MSC is responsible for steering, coordinating and ensuring the effective and efficient implementation of the sustainability framework.

The SWC comprises members from middle management across our operations and is responsible for the day-to-day implementation of the sustainability strategies and plans.

GOVERNANCE

The Group complies with applicable laws and regulations of corporate governance and adheres to related best practices. With a high standard of corporate governance, we believe that the Group will be able to maintain its success, remain competitive and sustainable in the long term. Our Corporate Governance Overview Statement and Statement on Risk Management and Internal Control are presented in pages 13 to 31 of this Annual Report.

STAKEHOLDERS ENGAGEMENT

Stakeholders engagement is imperative in understanding their expectations. We recognise that stakeholder expectation, assessment and feedback are an integral part of our sustainability strategy and initiatives, and we are continuously improving our approach via regular engagements that are held through both formal and informal channels.

Key Stakeholders	Area of Interest	Engagement Platforms
Employees	• Health, safety and well-being • Learning and development • Respect and recognition • Job satisfaction • Pay and benefits	• Meetings • Training programmes • Internal newsletter • New employee induction programme • Staff gatherings and other engagement channels

STAKEHOLDERS ENGAGEMENT (continued)

Key Stakeholders	Area of Interest	Engagement Platforms
Customers	• Price promotion • Convenience and experience • Engaging, knowledgeable personnel • Responsible financing	• Face-to-face interaction through service channels • Communication through Marketing Department, Customer Service Department and Corporate Communications Department • Feedback through website, e-mail, social media platform • Sales, promotions, road shows and related events • In-store information
Suppliers/Vendors	• Long term partnership • Financial resilience • Sustainable business growth • Experienced management team	• Liaison with suppliers before sourcing and engaging with contract managers • Meetings, business alliance events/meetings • Vendor service/support channel
Shareholders and Investors	• Good governance • Sustainable business growth • Disclosure and transparency	• Investor relations channel and meetings • Annual General Meeting • Quarterly reports, Annual Report
Regulatory Agencies and Statutory Bodies	• Regulatory compliance • Safety and security	• Meetings and events • Consultative and statutory reporting
Local Communities	• Responsible corporate citizen • Support for social causes • Creation of job opportunities	• Activities and sponsorships organised by the Group and Lion-Parkson Foundation
Media	• Response to media enquiries and requests for interviews • Long term engagement	• Media releases, media statements and interviews • Advertisements • Media invitations and sponsorships
Industry Associations	• Support for mutual interests • Parkson is a member of the Malaysia Retailers Association (MRA), Malaysia Retail Chain Association (MRCA) as well as the Intercontinental Group of Department Stores (IGDS) • Parkson Credit is a member of Credit Sale Companies Association and International Chamber Of Commerce (ICC) Malaysia	• Meetings and events

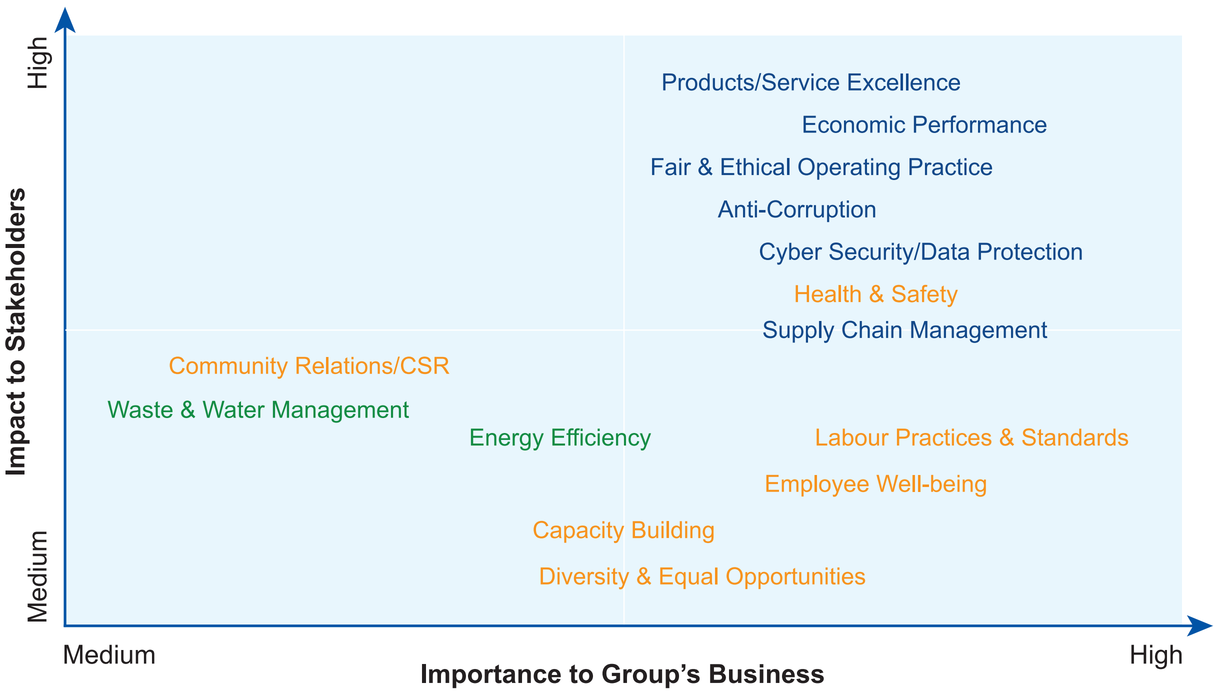
MATERIAL MATTERS

Our materiality matters are validated by our various divisions, combined into a consolidated matrix of issues relating to the activities of the Group. In identifying matters material to the Group, we were guided by GRI and the Listing Requirements.

We aim to conduct a comprehensive materiality assessment once every 3 years, and undertake an annual review of the relevance of our prioritised economic, environmental and social impacts arising from our day-to-day activities.

Economic	Environmental	Social
• Economic Performance • Fair & Ethical Operating Practice • Product/Service Excellence • Anti-Corruption • Cyber Security/Data Protection • Supply Chain Management	• Energy Efficiency • Waste & Water Management	• Employee Well-being • Health & Safety • Capacity Building • Diversity & Equal Opportunities • Labour Practices & Standards • Community Relations/CSR

MATERIALITY MATRIX



Indicators :

Economic

Environment

Social

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS ("SDGS")

We are committed to adopt the Sustainable Development Agenda 2030 established by the United Nations ("UN"). The following outlines the Group's efforts in supporting the SDGs in the year under review:

UNSDGs	Description	Our Approach
1 NO POVERTY	Goal 1: No Poverty End poverty in all its forms anywhere	• Provide financial aid for medical treatment to the most vulnerable segments of society • Collaborate with other bodies and Non-Governmental Organisations ("NGOs") to extend our reach and ensure help is targeted to those most in need
3 GOOD HEALTH AND WELL-BEING	Goal 3: Good Health and Well-being Ensure healthy lives and promote well-being for all at all ages	• Prioritise health and safety in our business operations by adopting rigid safety standards and systems, provide continuous safety training to protect our employees, sub-contractors and the general public • Promote healthy lifestyles and work-life balance by organising programmes that focus on our employees' physical and mental well-being
4 QUALITY EDUCATION	Goal 4: Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Provide scholarships to undergraduates pursuing their first degree locally • Promote employee development programme
5 GENDER EQUALITY	Goal 5: Gender Equality Ensure full participation in leadership and decision-making	• Acknowledge women's contribution in the industry and committed to promoting the advancement of women, especially in fields related to steel manufacturing, engineering and construction • Ensure women's effective representation and equal opportunities for leadership at all levels of decision-making across business activities
8 DECENT WORK AND ECONOMIC GROWTH	Goal 8: Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Provide competitive remuneration packages to our employees, and training opportunities for career growth and development • Promote a safe and secure working environment for all workers, including contractors and foreign labour • Stand firm against any form of forced labour, modern slavery and child labour

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS ("SDGS") (continued)

UNSDGs	Description	Our Approach
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Goal 12: Responsible Production and Consumption Substantially reduce waste generation	• Encourage 3R (reduce, reuse, recycle) activities to reduce waste generation
13 CLIMATE ACTION	Goal 13: Climate Action Take urgent action to combat climate change and its impacts	• Compliance with all applicable statutory and regulatory requirements.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Goal 16: Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	• Support fair and equitable workplace • Ensure a strong ethics and compliance culture • Zero tolerance towards bribery and corruption, as articulated in our Anti-Bribery and Corruption Policy
17 PARTNERSHIPS FOR THE GOALS	Goal 17: Partnership for the Goals Encourage and promote effective partnerships, building on the experience and resourcing strategies of partnerships	• Collaborate with regulators, industry players and community development programme partners

KEY SUSTAINABILITY MATTERS

ECONOMIC

Ensuring economic sustainability is paramount for long-term business success. Our commitment lies in upholding ethical and responsible marketplace practices through transparent business conduct, operating our business with integrity, and a commitment to excellence. These principles not only enhance our competitiveness but also foster long-term relationships with our stakeholders.

- **Economic Performance**

The Group's financial performance is vital for ensuring the sustainability of our business. We are committed to our responsibility of cultivating impactful employment opportunities and contributing to economic development. The jobs we generate within our operations and related sectors, coupled with the taxes we pay, play a pivotal role in making a significant and positive impact on the overall economy.

	RM'000
Revenue	3,125,907
Profit after tax	28,928
Net loss attributable to owners of the parent	(19,186)

Note: Further information on Economic Performance can be found in Financial Statements section of the 2023 Annual Report from pages 68 to 229.

- **Products/Service Excellence**

Delivering quality is important in maintaining credibility and customer trust, which are necessary in the highly competitive retail industry. Parkson being a true-blue Malaysian brand and household name for over 30 years has a responsibility to its customers to ensure that all merchandise carried by its stores fulfil customers' expectations. Hence, Parkson places high priority on the quality of the products offered to its customers and ensures that its suppliers share the same philosophy.

Our F&B businesses adhere strictly to the Standard Operating Procedures (SOPs) laid down by our brand's Principal which have very stringent food safety policies.

In conducting its business operations, Parkson Credit adopts responsible financing best practices and is committed to provide affordable and quality financial services in line with its corporate values and within the regulatory framework.

- **Fair & Ethical Operating Practice**

We believe that in conducting business activities, we must go beyond mere compliance with laws and regulations. Our commitment is to uphold high ethical standards that surpass societal expectations, ensuring fairness and equity in all endeavours. We offer products and services designed to meet customer expectations, demonstrating a fair and responsible attitude that considers both customer and business interests.

Building trust with stakeholders, including shareholders, investors, customers, suppliers, local communities, and employees, is essential. We pledge to disclose diverse information transparently, fostering understanding of our business and corporate activities.

Operating in accordance with fair competition practices, we apply the principle of non-favoritism in dealings with public authorities and allow suppliers to compete for business based on the overall value offered to the Group.

Committed to fair marketing practices, we prioritise clear and transparent communication with customers. As a financial service provider, Parkson Credit ensures that consumers are provided with fair contract terms.

- **Anti-Corruption**

The Group continues to promote a culture of integrity through awareness campaigns and regular communications. Our employees are required to comply with our Anti-Bribery and Corruption Policy ("ABC Policy") at all times.

We are committed to conducting our affairs in an ethical, responsible and transparent manner. In the pursuit of this commitment, we encourage our stakeholders to disclose suspected wrongdoings which may involve or concern our Group's directors, management, employees, performance, relations with other stakeholders, assets and reputation. Whistleblowers will be accorded protection of their identity unless the disclosure is required by any applicable law.

Corruption-related Training

In 2023, 76.0% of our employees have completed the necessary training. Additionally, employees are required to complete an annual e-declaration on Conflict of Interest and acknowledgment on the understanding of the ABC Policy to indicate compliance.

Operations Assessed for Corruption-related Risks

In FY2023, we conducted corruption risk assessments across all our operations, with 100% of them undergoing the evaluation.

Corruption Incidents

As of 31 December 2023, we recorded zero incidents of corruption across our business operations.

Executive **82.31%** Non-executive **73.52%**	Corruption Related Training	**100%**	Operations Assessed for Corruption-related Risks	**ZERO**	Corruption Incidents

- **Cyber Security/Data Protection**

We continuously strive to ensure the confidentiality and protection of customers' and stakeholders' information and documents based on requirements under the Personal Data Protection Act 2010. Information on our vendors, suppliers and customers is strictly private and confidential, and is treated as such at all times.

We continue to educate our employees on data protection and privacy through knowledge-sharing initiatives. This includes disseminating information via articles published in our corporate newsletter covering key aspects such as the fundamentals of information security, online scams, cyber espionage, malware, and ransomware. Additionally, we have implemented a caution statement in all emails received, reminding recipients to only open emails deemed safe. The primary objective is to enhance awareness regarding the importance of maintaining the integrity and confidentiality of sensitive information, thereby mitigating potential threats and security breaches that could significantly impact the organisation.

During this reporting period, there were no substantiated complaints of breaches in customer privacy or loss of customer data. We will continue to protect our customers' data privacy across all operations.

ZERO	Substantiated Complaints Concerning Breaches In Customer Privacy Or Data Loss

- **Supply Chain Management**

Our procurement department ensures that we engage in responsible procurement practices which is reinforced with the requirement for all our active registered vendors to periodically acknowledge their commitment to our Vendor Code of Conduct. Vendors' qualification/credentials are carefully vetted before being admitted into our list of qualified suppliers. Our initiatives start with the supplier selection process incorporating sustainability considerations such as fair labour practices and safety requirements.

Compliance and commitment by vendors and suppliers to conduct business with us in a transparent manner is sought through performing audits and making continuous improvements in our procurement processes and policies, including reassessing our procurement contracts. We believe local sourcing of products and services from within the country where possible is vital as it brings many advantages including lower costs, timely delivery, reducing carbon miles and invigorating the economy.

Local Suppliers

In 2023, a significant portion of our procurement expenditure, specifically 98.03%, was spent on local suppliers.

98.03 %	Spending on Local Suppliers

- **Customer Satisfaction**

Customer support and loyalty is critical to the success of our business. Hence, we strive to put customers at the forefront of everything we do whilst we aim to provide safe, fairly sourced quality products as well as premium, value-adding services to our customers. Product knowledge and service skills training are part of our routine training programmes to ensure that our employees provide premium quality services to our customers.

Parkson has customer engagement and sharing sessions, and loyalty programmes to build long-lasting relationships with our customers, which are held with Parkson Card and/or BonusLink members, and customers at our stores.

The Group places high priority on customer engagement and interaction with various customer feedback channels to further improve on our customer service and achieving customer satisfaction. We have in place a variety of touchpoints to facilitate customer contact and our customers can submit a formal complaint to us via customer care desk, phone calls, social media platforms such as Facebook and WhatsApp, email or through messaging application to our Customer Service Department.

- **Parkson Card Loyalty Programme**

Our Parkson Card loyalty programme has enabled us to devise targeted promotions and events catering to the preference of our members. In addition, Parkson Card is accepted in countries where we have operations, and is supported by a wide range of our merchant partners. The cross border benefits that all members enjoy are the discounts ranging from 5% to 6% depending on their membership tiers. As at 31 December 2023, we have a total of 2.29 million Parkson Card members.

2.29 Million	Parkson Card Members

ENVIRONMENTAL

The Group remains steadfast in its commitment to sustainable development and seeks to operate in a way that minimises environmental harm. We advocate the 3R actions of Reduce, Reuse and Recycle at our workplace, and adopt preventative measures to conserve the environment and reduce pollution. We seek to uphold environmental concerns with emphasis on application of new technologies and industry best practices that are environmentally friendly, optimise the use of resources and promote energy efficiency, and we are committed in taking proactive measures to preserve the environment for future generations whilst meeting the needs of our stakeholders.

We encourage all employees to adopt the concept of ‘Responsible Consumption’ by using materials, energy and resources in a sustainable way to minimise the impact to the environment. This includes reducing the amount of energy and water used in our premises, less paper printouts and the use of recycled paper for printing, and reduce the usage of single-use plastics at the workplace. Efforts to educate employees are ongoing to ensure that everyone adopts the concept of sustainability.

- **Energy Efficiency**

The Group's primary environmental footprint stems from electricity consumption, where it is used for lighting and air conditioning in all our offices, department stores and F&B outlets. Minimising our environmental footprint is not only in coherence with our belief of conducting business in a socially responsible manner, it also helps us to reduce our operational costs.

To align with the energy conservation objective, almost 80% of the lightings in our Parkson stores have been converted to light emitting diode ("LED") lights. Compared with conventional lights, LED lights could contribute to 35% to 45% savings in energy consumption [measured in kilowatt hours (kWh)].

In addition to installation of LED lights, other energy conservation initiatives undertaken by Parkson include optimising the usage of high energy consumption store equipment (such as auto start/stop elevators and air conditioners) and switching on escalators/air conditioners closer to the commencement of our stores' operating hours, and cultivation of energy-saving habits namely, switching off lights, air conditioners and office equipment when not in use, and promoting use of natural daylight where possible, such as having windows and skylights.

We place a high priority on energy conservation throughout all aspects of our operations. For FY2023, the total energy consumption recorded was 43,257.85 megawatts.

43,257.85 Megawatts	Total Energy Consumption

- **Water and Waste Management**

While the Group's operations may not involve extensive water consumption, we acknowledge the scarcity of water as a valuable resource, and consistently remind our employees to use water prudently. For FY2023, the Group consumed 130.74 megalitres of water.

In our department stores, we mainly produce cardboard, paper, and plastic wastes, while our offices generate paper waste. We are committed to recycling, making sure these wastes get a second life rather than ending up in landfills. As we embrace digitalisation and electronic processes, our reliance on paper has significantly decreased. This aligns with our ongoing efforts to adopt eco-friendly practices and contribute to a sustainable future.

It is worth noting that, as tenants in shopping malls and office buildings, water and waste management is the responsibility of the landlord.

130.74 Megalitres	Water Consumed

- **Promoting Green and Environment-Friendly Products and Initiatives**

Whilst ensuring quality service, we also aim to create a green and low-carbon shopping and dining experience for our customers. We constantly explore greener alternatives in our day-to-day operations such as introduction of more efficient and energy-saving products and processes as well as 5S and 3R management techniques in our operations.

As part of its commitment to environmental sustainability, Parkson has taken a significant step by discontinuing all single-use plastic bags in its department stores. In line with the Think Green, Act Green initiative launched in September 2023, customers are encouraged to bring their own reusable shopping bags. Parkson also set up a Reusable Bag Community Station, allowing shoppers to drop off spare reusable bags for others to use, initiating a community-wide eco-journey, and hosted sustainability goal-sharing sessions with some of its vendors, promoting a collective commitment to environmentally conscious practices. In FY2023, Parkson has replaced its pre-printed Parkson vouchers with E-vouchers.

Parkson Pavilion Bukit Jalil joined forces with CRC (Community Recycle for Charity) to encourage shoppers to contribute to the green cause by donating unused clothes, clothing accessories, paper items such as books and magazines, children's toys and batteries. These items were deposited in the designated Recycle Box within the store during the campaign period.

SOCIAL

We recognise the importance of social inclusion as it influences our lifestyles and professional endeavours. With a commitment to contribute to the betterment of society, our aim is to cultivate a positive social impact that can truly make a meaningful difference.

- **Employee Well-being**

We are dedicated to establishing workplaces where every individual is confident that their contributions will be acknowledged, and where they feel secure in expressing themselves. Emphasising the necessity of engaging and listening to our employees, we actively strive to cultivate an environment that is not only conducive, but also fosters happiness and productivity. To facilitate effective employee engagement, we establish various forums, including town-halls, "lunch & learn" sessions, festive open houses, and sports and recreational activities. Such engagements address both work and social requirements of our employees leading to a healthy work-life balance which proves to be an important factor for recruitment and retention of employees.

With the Employment Act (Amendments) 1955 taking effect on 1 January 2023, the Group is implementing the amendments related to the Act, such as overtime eligibility, increase in maternity leave period, paternity leave, flexible working arrangement, prohibition of forced labour, amongst other provisions.

The Group has in place its Anti-Sexual Harassment Policy to safeguard our employees from such harassment. We put up posters on how to prevent sexual harassment at the workplace and organised online sharing sessions on sexual harassment to create awareness amongst employees on our strict internal sexual harassment policy. Any individuals who wish to report incidents of bullying and harassment can refer to our Whistleblower Policy.

For FY2023, there were no cases of discrimination or harassment being reported or recorded. There were zero incidences of non-compliance to labour laws.

ZERO	Substantiated Complaints Concerning Human Rights Violation

- **Health & Safety**

The health and safety of our employees and customers are vital to our businesses, hence the Group subscribes to the safety, health and environmental regulations with a systematic approach reinforced by constant training and monitoring to ensure the safety and well-being of our employees and customers.

In compliance with legal requirements such as the Occupational Safety and Health Act and related regulations and guidelines, the Group has in place a Safety and Health Policy and Guidelines for our department stores, F&B outlets and business premises to ensure a safe and comfortable environment for everyone.

Compliance with the safe work practices stated in these guidelines is the primary responsibility of all employees, consignors and their promoters, contractors and consultants performing their duties at our premises. Safety campaigns are held to remind and refresh the staff on safety awareness and related issues with training conducted for staff on the use of fire extinguishers, first aid i.e. CPR and injury management, and evacuation procedures.

Health and Safety Training

In 2023, a total of 2,142 employees were given various training on health and safety standards.

2,142	Employees Trained On Health And Safety Standards

Among the training were:

- Basic First Aid & CPR
- Hazard Identification, Risk Assessment and Risk Control
- Kursus Keselamatan Kebakaran Bagi Organisasi
- Understanding Ergonomics Risk Assessment at Workplace
- Basic Occupational First Aid
- Ergonomic and Occupational Injuries at Workplace
- OSH Hazard and Risk Management Program
- HIRARC Remote Online Learning

Work Related Injuries

Workplace incidents are taken seriously; they are investigated and appropriate actions taken to prevent recurrence. In FY2023, there was one recorded incident of work-related injuries resulting in a lost time incident rate of 0.003%. While we deeply regret any occurrence of injuries within our workforce, we remain committed to ensuring the safety and well-being of all employees. This incident serves as a reminder of the ongoing importance of maintaining rigorous safety protocols and continuously improving our practices to prevent future incidents and create a safer working environment for everyone.

- **Capacity Building**

Developing our talent is a key focus for the Group to ensure we have the right people in place to allow us to grow our future leaders and strengthen our talent pipeline. We provide learning and development opportunities in respect of technical, functional and behavioral competencies for our employees in line with their job requirements and career aspirations. Learning interventions are delivered on-the-job, via formal class training or online and continuing education. We encourage and support employees to participate in upskilling courses related to their work scope and obtain skill certification for wider job coverage.

Total Hours of Training by Employee Category

Executive	**16,515**	**HOURS**
Non-executive	**42,316**	

In 2023, among the training and development programmes conducted both physically and/or online are as follows:

- The A-Z of Domestic Inquiry
- MIA International Accountants Conference 2023
- MBRS Hands-on Application of Financial Statement Content into the MBRS templates
- Negotiation Skills for Better Results
- Enterprise Risk Management
- HRDC Conference – Pioneering Growth, Inspiring Challenge
- Parkson E-Voucher
- MIA 2024 Budget Seminar
- HR Administrator Training
- Transformational Leadership Seminar
- Diversity & Equal Opportunities
- ESG Sustainability Reporting Workshop
- Masterclass in Kaizen for Work Improvement and Operational Process
- MRA Retail Conference – Retail Insight
- 18th BFM Brandfest 2023
- Visual Merchandising Display Skills

- **Diversity & Equal Opportunities**

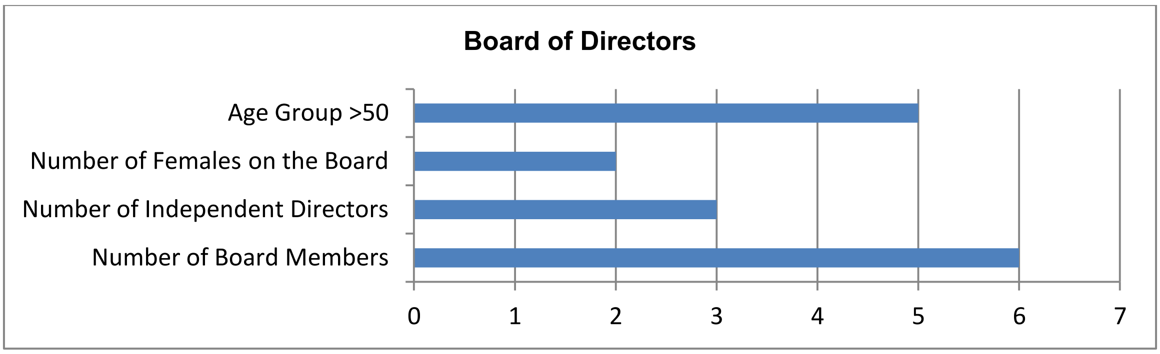
We do not tolerate discrimination against race, gender, age, religion or nationality and any form of harassment in our work environment. The Group's workforce is a reflection of the multi-cultural and multi-ethnic diversity of Malaysia with a wide range of demographic segments and social backgrounds represented across all levels of the organisation.

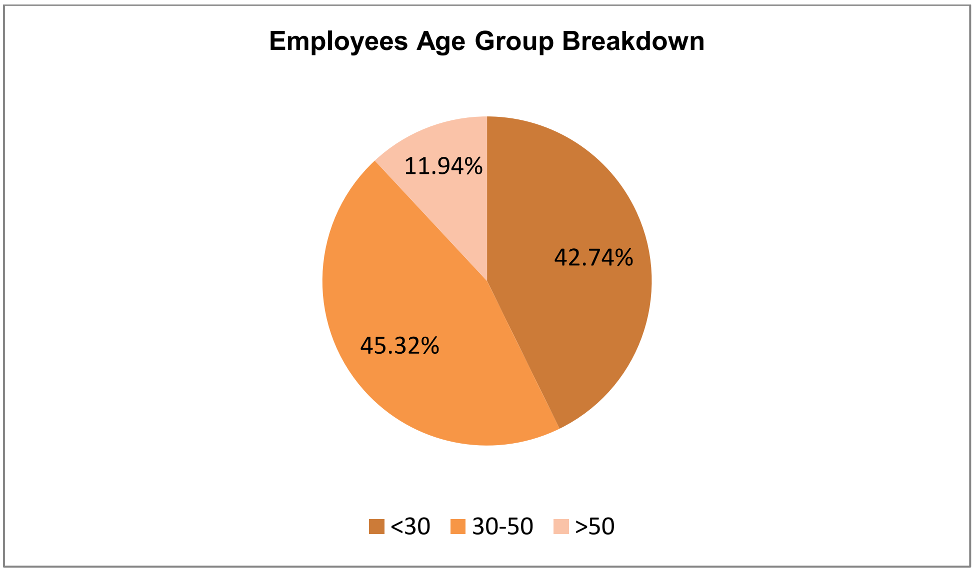
The representation of females on the Board of Directors ("Board") at 33.33% highlights the Company's dedication to fostering diversity and inclusion in top leadership positions, with 83.33% of our Board Members falling within the age group of above 50.

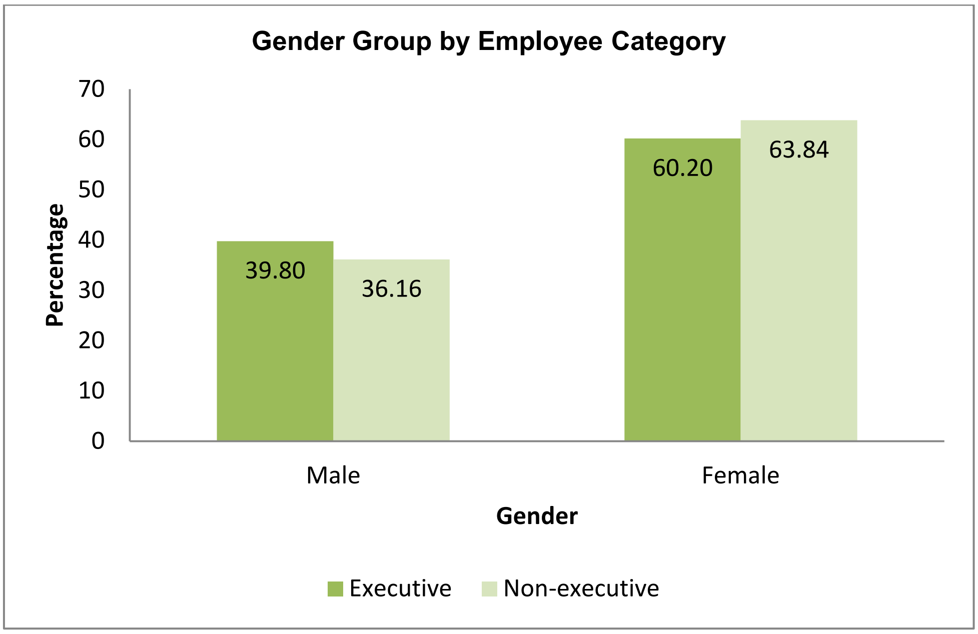
On a Group-wide basis, 62.83% of our employees are female and 37.17% are male, which is a reflection of our core business relating to fashion and beauty, particularly at the department stores. We have a well-balanced team, with 45.31% falling in the middle 30-50 years old age group, of which 36.56% are in executive positions.

We also engage part-time staff, including students and retirees, who are paid hourly and governed by part-time regulation hours, along with temporary staff receiving monthly wages. Additionally, we have indirect staff under the payroll of our vendors on our premises.

The retail industry typically experiences high turnover due to the demanding nature of the job, often characterised by long working hours. We are continuously focused on implementing strategies to attract and retain talented individuals, ensuring stability and efficiency in our operations.







Employees Category (%)		Age Group by Employee Category (%)				Total Turnover by Employee Category	
Indirect (vendors)	66.97		**<30**	**30 – 50**	**>50**	Executive	69
Part-time/Temporary	2.39	Executive	15.26	59.77	24.97	Non-executive	1,107
Permanent	30.64	Non-executive	53.28	39.77	6.95		

- **Community Relations/Corporate Social Responsibility ("CSR")**

In keeping with our philosophy of giving back to the community, the Group focuses on helping to uplift the community via Lion-Parkson Foundation (the "Foundation") established in 1990 by Lion Group of Companies of which the Group is a member. The Group is also supporting the local community wherein it operates by participating in charity programmes and fundraising drives to assist those in need.

Empowerment through Education

We believe in Empowerment through Education; that education is the catalyst to bring about sustainable change for the better for our future generations. Annually, the Foundation awards scholarships to undergraduates in local universities. The selected scholars undergo training in soft skills such as problem-solving and communication skills as well as internships at Lion Group companies during their semester breaks to prepare them for working in the corporate world.

In FY2023, the Foundation disbursed scholarships amounting to RM350,000 to 36 undergraduates pursuing their bachelor's degree in local institutions of higher learning. Additionally, the Foundation contributed RM10,000 to the Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor (KLSCCCI) – Scholarship Fund.

Expansion of Home for Special Children

The Foundation has completed the expansion of the Home for Handicapped & Mentally Disabled Children in Banting, Selangor to include an old folks home which is expected to be handed over to the operator, Persatuan Penjagaan Kanak-Kanak Terencat Akal Negeri Selangor by the first quarter of the next financial year.

Medical Assistance for the Less Fortunate

In reaching out to a broad and diverse cross-section of beneficiaries irrespective of race or religion, the Foundation also provides financial assistance to the less fortunate suffering from critical illnesses who require medical treatment including surgery as well as purchase of medical equipment and medication.

In FY2023, approximately RM270,030 had been disbursed in the form of sponsorship for medical treatment to 31 individuals including purchase of equipment and medication. The Foundation also donated RM20,000 to Hospital Selayang's Cataract Surgery Centre which assisted 86 patients from the B40 group undergo cataract operation.

Other CSR Initiatives

In November 2023, Lion-Parkson Foundation contributed RM5,000 to the 'Sports Carnival for OKU' organised by Malaysia Independent Living Association For Disabled (MILAD), a non-profit organisation dedicated to promoting inclusivity for individuals with disabilities, and donated RM5,000 to Malaysian Federation for the Deaf (MDF) in conjunction with Taska Istika Jaya Children's Day, through a charity programme organised by Malaysia Steel Institute. Parkson Credit sponsored the stationery sets and meals for the children and teachers at the event.

In a notable demonstration of their commitment to the preservation of wildlife, Parkson Credit, together with its network of motorcycle dealers, sponsored the care of two Malayan Tapirs at Zoo Negara for a one-year period. Parkson Credit's contribution of RM26,645 covers the maintenance, feeding and upkeep of one tapir while the motorcycle dealers contributed a similar amount for the second tapir which is an endangered species. Parkson Credit also organised a blood donation in partnership with National Blood Centre in December 2023 as part of its CSR initiatives.

Parkson entertains requests from students of related retail and business courses from local institutes of higher learning to visit its stores, and welcome them and stakeholders to a tour of the stores to provide them with insights and hands-on experience in the retail industry.

In February 2023, Hogan Bakery staff visited Angels Children's Home in Taman Overseas Union, Kuala Lumpur with food and drinks, and celebrated the birthday of those born in February.

SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Executive	Percentage	82.31
Non-executive	Percentage	73.52
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	688,082.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	197
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Executive Under 30	Percentage	15.26
Executive Between 30-50	Percentage	59.77
Executive Above 50	Percentage	24.97
Non-executive Under 30	Percentage	53.28
Non-executive Between 30-50	Percentage	39.77
Non-executive Above 50	Percentage	6.95
Gender Group by Employee Category		
Executive Male	Percentage	39.80
Executive Female	Percentage	60.20
Non-executive Male	Percentage	36.16
Non-executive Female	Percentage	63.84
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	66.67
Female	Percentage	33.33
Under 30	Percentage	0.00
Between 30-50	Percentage	16.67
Above 50	Percentage	83.33
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	43,257.85
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	2,142
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Executive	Hours	16,515
Non-executive	Hours	42,316
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	69.36
Bursa C6(c) Total number of employee turnover by employee category		
Executive	Number	69
Non-executive	Number	1,107
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.03
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	130.740000

Internal assurance External assurance No assurance (*)Restated

STATEMENT OF ASSURANCE

In strengthening the credibility of the Sustainability Statement, selected aspects/parts of this Sustainability Statement have been subjected to an internal review by the Company's internal auditors and the Statement has been reviewed by the Company's Audit Committee and approved by the Board.

Subject Matters covered are provided below:

Material Matters	Subject Matter
Anti-corruption	• Percentage of employees who have received training on anti-corruption by employee category
	• Percentage of operations assessed for corruption-related risk
	• Confirmed incidents of corruption and action taken
Community/Society	• Total amount invested in the community where the target beneficiaries are external to the Company
Diversity	• Percentage of employees by gender and age group, for each employee category
	• Percentage of directors by gender and age group
Energy Management	• Total energy consumption
Health and Safety	• Number of work-related fatalities
	• Lost time incident rate
	• Number of employees trained on health and safety standards
Labour Practices and Standards	• Total number of hours of training by employee category
	• Percentage of employees that are contractors or temporary staff
	• Total number of employee turnover by employee category
Supply Chain Management	• Proportion of spending on local suppliers
Data Privacy and Security	• Number of substantiated complaints concerning breaches of customer privacy and loss of customer data
Water	• Total volume of water used

FINANCIAL STATEMENTS
2023
For The Financial Year Ended 31 December 2023

DIRECTORS' REPORT

The Directors hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

Principal activities

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally involved in the operation of department stores and related trading services, provision of money lending and credit services, provision of consultancy and management services, property management, operation of food and beverage businesses, intellectual property holding and investment holding.

The information on the name, country of incorporation/principal place of business, principal activities, and percentage of issued share capital held by the holding company in each subsidiary are set out in Note 15 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit/(loss) for the financial year:		
Continuing operations	43,796	27,635
Discontinued operations	(14,868)	-
	28,928	27,635
(Loss)/profit for the financial year attributable to:		
Owners of the parent	(19,186)	27,635
Non-controlling interests	48,114	-
	28,928	27,635

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than in respect of the Group, impairment losses on property, plant and equipment, right-of-use assets and intangible assets totalling RM102,088,000.

Dividend

No dividend has been declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any payment of dividend in respect of the current financial year.

Issues of shares and debentures

The Company did not issue any new shares or debentures during the financial year.

Directors

The Directors of the Company in office during the financial year and up to the date of this report are:

Tan Sri Cheng Heng Jem
Cheng Hui Yen, Natalie
Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat
Zainab binti Dato' Hj. Mohamed
Liew Jee Min @ Chong Jee Min
Ooi Kim Lai

The directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are:

Au Jin Ee
Bernadette Chong Yin Wah
Chai Woon Chew
Chang Chae Young
Cheng Hui Yen, Natalie
Cheng Hui Yuen, Vivien
Cheong Tuck Yee
Chong Cheng Tong
Chuah Say Chin
Da Min
Dato' Fu Ah Kiow
Dato' Sri Dr. Hou Kok Chung
Datuk Koong Lin Loong
Gui Cheng Hock
Haji Mohamad Khalid bin Abdullah
Hu Da Zhi
Huo Jian Ming (Appointed on 23 February 2023)
Jin Chun Xu
Juliana Cheng San San
Khor Ching Wee
Lee Wee Leng (Appointed on 29 December 2023)
Lee Whay Keong
Li Bing
Loh Chai Hoon

Directors (cont'd.)

The directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are: (cont'd.)

Ma Li	
Ng Ho Peng	
Norman Siu Yong Ching Jr	
Ooi Kim Lai	
Poh Wan Chung	
Pong Yuet Yee	
Pun Chi Tung, Melvyn	
Qiu Jian	
Sam Chong Keen	
Tan Boon Heng	
Tan Kim Kee	
Tan Sri Cheng Heng Jem	
Wang Wing Ying	
Xie Hua	
Xiu Jun	
Xu Jing Chao	
Yau Ming Kim, Robert	
Yeo Keng Leong	
Yin Zheng Min	
Yu KaiYan	
Zhang Ji Ning	(Appointed on 13 January 2023)
Zhang Jun	
Zhang Pei	
Zhang Zhi Jun	
Zhou Jia	

Au Chen Sum	(Resigned with effect from 23 February 2023)
Chong Sui Hiong	(Resigned with effect from 4 April 2023)
Lee Wee Leng	(Resigned with effect from 25 March 2024)
Li Cheng	(Ceased on 31 August 2023)
Low Kim Tuan	(Ceased on 31 August 2023)
Nie Ru Xuan	(Ceased on 31 August 2023)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, save and except for the benefit which deemed to have arisen by virtue of the balances and transactions between the Company and its related corporations, and certain corporations in which a Director of the Company has a substantial interest, in the ordinary course of business of the Group and of the Company.

Details of the remuneration paid to or receivable by the Directors of the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Executive Directors:		
Fees	361	75
Salaries and other emoluments, and pension costs	3,017	128
	3,378	203
Non-executive Directors:		
Fees	185	185
Other emoluments	41	41
	226	226
Total	3,604	429

Indemnity and insurance for Directors and Officers

The Directors and Officers of the Group and of the Company are covered under a Directors' and Officers' Liability Insurance up to an aggregate limit of US$20 million (equivalent to approximately RM91.91 million) against any legal liability, if incurred by the Directors and Officers of the Group and of the Company in the discharge of their duties while holding office for the Company and its subsidiaries.

Auditors' indemnity

To the extent permitted by law, the Company has agreed to indemnify its Auditors, Grant Thornton Malaysia PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been paid to indemnify Grant Thornton Malaysia PLT for the current financial year.

Directors' interests

According to the Register of Directors' Shareholdings, the interests of the Directors in office at the end of the financial year in shares in the Company during and at the end of the financial year are as follows:

	Number of ordinary shares			
	1.1.2023	Acquired	Disposed	31.12.2023
Tan Sri Cheng Heng Jem				
Direct interest	286,923,039	-	-	286,923,039
Deemed interest	339,994,089	-	-	339,994,089
Ooi Kim Lai				
Direct interest	197	-	-	197

The interests of the Directors in office at the end of the financial year in shares in the related corporations during and at the end of the financial year are as follows:

Direct Interest

	Number of ordinary shares			
	1.1.2023	Acquired	Disposed	31.12.2023
Parkson Retail Asia Limited ("PRA")				
Tan Sri Cheng Heng Jem	500,000	-	-	500,000
Cheng Hui Yen, Natalie	50,000	-	-	50,000

Tan Sri Cheng Heng Jem
Deemed Interest

	Number of ordinary shares			
	1.1.2023	Acquired	Disposed	31.12.2023
Parkson Myanmar Investment Company Pte Ltd	2,100,000	-	-	2,100,000
PRA	457,933,300	-	-	457,933,300

	Number of ordinary shares of HK$0.02 each			
	1.1.2023	Acquired	Disposed	31.12.2023
Parkson Retail Group Limited	1,448,270,000	-	-	1,448,270,000

Directors' interests (cont'd.)

The interests of the Directors in office at the end of the financial year in shares in the related corporations during and at the end of the financial year are as follows: (cont'd.)

Tan Sri Cheng Heng Jem
Deemed Interest

	Currency	1.1.2023	Acquired	Disposed	31.12.2023
Investments in the People's Republic of China					
Guizhou Shenqi Parkson Retail Development Co Ltd	Rmb	10,200,000	-	-	10,200,000
Lion Food & Beverage Ventures Limited	Rmb	3,640,000	-	-	3,640,000
Qingdao No. 1 Parkson Co Ltd	Rmb	223,796,394	-	-	223,796,394
Wuxi Sanyang Parkson Plaza Co Ltd	Rmb	48,000,000	-	-	48,000,000

Save as disclosed above, none of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during and at the end of the financial year.

Other statutory information

(a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

Other statutory information (cont'd.)

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading;

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and

(iv) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable, or is likely to become enforceable within the period of 12 months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

Auditors and auditors' remuneration

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The remuneration of the auditors of the Group and of the Company for the financial year ended 31 December 2023 amounted to RM4,099,000 and RM39,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 5 April 2024.

TAN SRI CHENG HENG JEM	**CHENG HUI YEN, NATALIE**
Chairman and Managing Director	Executive Director

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Cheng Heng Jem and Cheng Hui Yen, Natalie, being two of the Directors of Parkson Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 86 to 229 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2023 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 5 April 2024.

TAN SRI CHENG HENG JEM
Chairman and Managing Director

CHENG HUI YEN, NATALIE
Executive Director

Kuala Lumpur, Malaysia

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Tan Sri Cheng Heng Jem, the Director primarily responsible for the financial management of Parkson Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 86 to 229 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Tan Sri Cheng Heng Jem
at Kuala Lumpur in the Federal Territory
on 5 April 2024.

TAN SRI CHENG HENG JEM

Before me,

W729
MARDHIYYAH ABDUL WAHAB
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PARKSON HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Parkson Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 86 to 229.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By- Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Report on the Audit of the Financial Statements (cont'd.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	**How our audit address the Key Audit Matters**
Revenue recognition The Group relies on its information technology systems in the accounting for revenue from direct sales and commissions from concessionaire sales. Such information technology system processes large volumes of data which consists of individually low value transactions. The Group also recognised deferred revenue of RM13,584,000 as at 31 December 2023 in current liabilities in respect of customer loyalty programme. The quantum of deferred revenue recognised at each reporting period requires management's estimates in relation to the historical trends of redemption of customer loyalty points. The aforementioned factors gave rise to higher risk of material misstatements from the perspective of timing of recognition and the amount of revenue to be recognised. Accordingly, we identified revenue recognition to be an area of audit focus as the magnitude and the high volume of transactions may give rise to a higher risk of material misstatements relating to timing and the amount of revenue recognised. The disclosures for revenue and deferred revenue of the Group are included in Notes 4 and 31 respectively to the financial statements.	Our audit procedures included, amongst others: - involved our information technology specialists to test the operating effectiveness of the automated controls of the information technology systems; - tested the information technology dependent manual and manual controls in place to ensure the completeness and accuracy of revenue recognised; - performed procedures to corroborate the occurrence of revenue by tracing samples of cash receipts to the settlement reports from financial institutions; - tested the reconciliation of data between the Point of Sales system and the general ledger to corroborate the completeness of revenue; - assessed the accuracy of deferred revenue recognition using the historical rates of redemption of the customer loyalty points used by management; and - performed cut-off procedures to determine if revenue is recorded in the correct accounting period.

Report on the Audit of the Financial Statements (cont'd.)

Key Audit Matters (cont'd.)

Key Audit Matters	How our audit address the Key Audit Matters
Impairment of property, plant and equipment and right-of-use assets The Group primarily operates retail stores as well as food and beverage stores in Malaysia and China. The Group recognised property, plant and equipment and right-of-use assets with carrying amounts of RM1,873,972,000 and RM1,829,110,000, representing 31% and 30% respectively of total non-current assets of the Group as at 31 December 2023. On an annual basis, management is required to assess for indications of impairment to determine if impairment assessment should be carried out. Having considered the loss-making performance of certain stores, management performed impairment testing with respective assets of those loss-making stores. The impairment testing requires management to make assumptions in the underlying cash flow forecast and projections. The assumptions include expectations for gross margin, growth rates and discount rates, as well as the overall market and economic conditions in the markets. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter. The disclosures for property, plant and equipment and right-of-use assets of the Group are included in Notes 11 and 13(a) respectively to the financial statements.	Our audit procedures included, amongst others: - obtained understanding of the Group's policies and procedures to identify indications of impairment of assets relating to loss-making stores; - held discussions with management and the auditors of the subsidiaries to obtain an understanding of assumptions used in the cash flow forecast and projections; - examined approved cash flow forecast and projections as well as historical trend analysis; - compared the key assumptions used in the impairment assessments to historical performance, external data reflecting current market conditions and our understanding of the business, in particular gross margin and growth rates used in determining the value in use at each cash-generating units ("CGU") level; - performed sensitivity analysis of the key assumptions and determined if the carrying amount of CGU materially exceeded the recoverable amount; - involved our internal specialists to assist us in evaluating the appropriateness of discount rates, methodologies and assumptions used in the cash flow forecast and projections; and

Report on the Audit of the Financial Statements (cont'd.)

Key Audit Matters (cont'd.)

Key Audit Matters	How our audit address the Key Audit Matters
Impairment of property, plant and equipment and right-of-use assets (cont'd.)	Our audit procedures included, amongst others: (cont'd.) - assessed the adequacy of disclosures in relation to impairment assessment including those assumptions to which the outcome of the impairment test is most sensitive, that have the most significant effect on the determination of the recoverable amount of the assets.
Impairment of goodwill The Group has a balance of goodwill of RM1,119,159,000 representing 19% of total non-current assets of the Group as at 31 December 2023. On an annual basis, management is required to perform an impairment assessment of the CGUs to which the goodwill has been allocated. The impairment testing requires management to make assumptions in the underlying cash flow forecast and projections. The assumptions include expectations for gross margin, growth rates and discount rates, as well as the overall market and economic conditions in the markets. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter. The disclosures for goodwill of the Group are included in Note 14 to the financial statements.	Our audit procedures included, amongst others: - obtained understanding of the Group's policies and the relevant internal methodologies applied in determining the CGUs and the recoverable amounts; - held discussions with management and the auditors of the subsidiaries to obtain an understanding of assumptions used in the cash flow forecast and projections; - examined approved cash flow forecast and projections as well as historical trend analysis; - compared the key assumptions used in the impairment assessments to historical performance, external data reflecting current market conditions and our understanding of the business, in particular gross margin and growth rates used in determining the value in use at each CGU level; - performed sensitivity analysis of the key assumptions and determined if the carrying amount of CGU materially exceeded the recoverable amount;

Report on the Audit of the Financial Statements (cont'd.)

Key Audit Matters (cont'd.)

Key Audit Matters	How our audit address the Key Audit Matters
Impairment of goodwill (cont'd.)	Our audit procedures included, amongst others: (cont'd.) - involved our internal specialists to assist us in evaluating the appropriateness of discount rates, methodologies and assumptions used in the cash flow forecast and projections; and - assessed the adequacy of disclosures in relation to impairment assessment including those assumptions to which the outcome of the impairment test is most sensitive, that have the most significant effect on the determination of the recoverable amount of the assets.
Impairment assessment of interests in subsidiaries (Parent company only) The Company has balance of interests in subsidiaries of RM2,699,030,000 as at 31 December 2023. On an annual basis, management is required to assess for indications of impairment to determine if impairment assessment should be carried out. The impairment testing requires management to make assumptions in the underlying cash flow forecast and projections. The assumptions include expectations for gross margin, growth rates and discount rates, as well as the overall market and economic conditions in the markets. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter. The disclosures for interests in subsidiaries of the Company are included in Note 15 to the financial statements.	Our audit procedures included, amongst others: - obtained understanding of the Group's policies and procedures to identify indication of impairment of assets relating to loss-making subsidiaries; - held discussions with management and the auditors of the subsidiaries to obtain an understanding of assumptions used in the cash flow forecast and projections; - Examined approved cash flow forecast and projections as well as historical trend analysis; - compared the key assumptions used in the impairment assessments to historical performance, external data reflecting current market conditions and our understanding of the business, in particular gross margin and growth rates used in determining the value in use at each CGU level, and considering the viability of future plans, local economic conditions and industry outlook;

Report on the Audit of the Financial Statements (cont'd.)

Key Audit Matters (cont'd.)

Key Audit Matters	How our audit address the Key Audit Matters
Impairment assessment of interests in subsidiaries (Parent company only) (cont'd.)	Our audit procedures included, amongst others: (cont'd.) - performed sensitivity analysis of the key assumptions and determined if the carrying amount of CGU materially exceeded the recoverable amount; - involved our internal valuation specialists to assist us in evaluating the appropriateness of discount rate, methodologies and assumptions used in the cash flow forecast and projections; and - assessed the adequacy of disclosures in relation to impairment assessment including those assumptions to which the outcome of the impairment test is most sensitive, that have the most significant effect on the determination of the recoverable amount of the assets.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on the Audit of the Financial Statements (cont'd.)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Report on the Audit of the Financial Statements (cont'd.)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd.)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Financial Statements (cont'd.)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purposes. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants (AF 0737)

LIAN TIAN KWEE
(No: 02943/05/2025 J)
Chartered Accountant

Kuala Lumpur, Malaysia
5 April 2024

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000 (Restated)	Company 2023 RM'000	Company 2022 RM'000
Continuing operations					
Revenue	4	**3,121,955**	2,914,996	**-**	-
Other income	5	**357,214**	319,486	**-**	-
Purchase of goods and changes in inventories		**(1,433,387)**	(1,442,008)	**-**	-
Employee benefits expense	6	**(441,287)**	(470,272)	**(204)**	(204)
Depreciation and amortisation		**(494,815)**	(547,498)	**(2)**	(1)
Promotional and advertising expenses		**(38,020)**	(38,715)	**-**	-
Rental expenses		**(82,944)**	(20,057)	**-**	-
Other expenses	8(d)	**(476,632)**	(491,223)	**(1,779)**	(1,524)
Operating profit/(loss)		**512,084**	224,709	**(1,985)**	(1,729)
Finance income	7	**46,523**	45,796	**84**	821
Finance costs	7	**(380,352)**	(362,475)	**-**	-
Share of results of associates		**8,210**	(1,001)	**-**	-
Share of results of joint ventures		**7,170**	(1,124)	**-**	-
Reversal of impairment loss on amount due from a subsidiary	19	**-**	-	**29,654**	18,127
Gain on disposal of properties		**23,756**	-	**-**	-
Impairment loss on:					
- Property, plant and equipment		**(3,414)**	(2,400)	**-**	-
- Right-of-use assets	13	**(15,407)**	(25,057)	**-**	-
- Intangible assets	14	**(83,267)**	(32,500)	**-**	-
- Amounts due from subsidiaries	19	**-**	-	**-**	(97)
Profit/(loss) before tax	8	**115,303**	(154,052)	**27,753**	17,122
Income tax expense	9	**(71,507)**	(30,770)	**(118)**	(25)
Profit/(loss) for the financial year from continuing operations		**43,796**	(184,822)	**27,635**	17,097
Discontinued operations	33				
Loss for the financial year from discontinued operations		**(14,868)**	(7,421)	**-**	-
Profit/(loss) for the financial year from continuing and discontinued operations		**28,928**	(192,243)	**27,635**	17,097

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000 (Restated)	RM'000	RM'000
(Loss)/profit for the financial year attributable to:					
Owners of the parent		**(19,186)**	(109,665)	**27,635**	17,097
Non-controlling interests	15(c)	**48,114**	(82,578)	**-**	-
		28,928	(192,243)	**27,635**	17,097
Basic and diluted loss per share (sen):	10				
Continuing operations		**(0.79)**	(9.15)		
Discontinued operations		**(0.88)**	(0.44)		
		(1.67)	(9.59)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000 (Restated)	RM'000	RM'000
Profit/(loss) for the financial year	**28,928**	(192,243)	**27,635**	17,097
Other comprehensive income/(loss)				
Item that will not be reclassified to profit or loss:				
Change in fair value of financial assets	**(936)**	175	**-**	-
Item that may be reclassified subsequently to profit or loss:				
Foreign currency translation	**27,598**	(193,482)	**-**	-
Other comprehensive income/(loss) for the financial year, net of tax	**26,662**	(193,307)	**-**	-
Total comprehensive income/(loss) for the financial year	**55,590**	(385,550)	**27,635**	17,097
Total comprehensive (loss)/income for the financial year attributable to:				
Owners of the parent	**(3,111)**	(211,228)	**27,635**	17,097
Non-controlling interests	**58,701**	(174,322)	**-**	-
	55,590	(385,550)	**27,635**	17,097

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000 (Restated)
Assets			
Non-current assets			
Property, plant and equipment	11	**1,873,972**	1,906,538
Investment properties	12	**466,108**	452,447
Right-of-use assets	13(a)	**1,829,110**	2,093,645
Intangible assets	14	**1,119,375**	1,180,468
Investments in associates	16	**33,398**	27,300
Investments in joint ventures	17	**-**	8,197
Deferred tax assets	18	**184,537**	187,266
Trade receivables	20	**253,100**	157,788
Other receivables	21	**227,856**	393,798
Investment securities	22	**1,568**	17,504
Time deposits	23	**17,567**	15,869
		6,006,591	6,440,820
Current assets			
Inventories	24	**357,342**	386,831
Trade and other receivables	20	**599,062**	480,085
Investment securities	22	**37,159**	68,477
Tax recoverable		**160**	163
Deposits, cash and bank balances	23	**1,477,277**	1,290,200
		2,471,000	2,225,756
Non-current assets classified as held for sale	34	**48,356**	192,933
		2,519,356	2,418,689
Total assets		**8,525,947**	8,859,509
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	25	**2,160,580**	2,160,580
Other reserves	26	**(1,499,712)**	(1,512,314)
Retained profits		**774,485**	790,198
		1,435,353	1,438,464
Non-controlling interests	15(c)	**982,171**	931,599
Total equity		**2,417,524**	2,370,063

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023 (continued)

	Note	2023 RM'000	2022 RM'000 (Restated)
Equity and liabilities (cont'd.)			
Non-current liabilities			
Deferred tax liabilities	18	**146,615**	175,903
Loans and borrowings	27	**1,505,078**	1,421,800
Long term payables	28	**1,076**	5,417
Provisions	29	**20,501**	17,217
Lease liabilities	13(b)	**1,926,580**	2,329,785
		3,599,850	3,950,122
Current liabilities			
Trade and other payables	30	**1,279,531**	1,260,395
Contract liabilities	31	**419,207**	414,305
Loans and borrowings	27	**234,867**	317,050
Provisions	29	**4,173**	5,816
Lease liabilities	13(b)	**545,975**	516,887
Tax payables		**24,820**	24,871
		2,508,573	2,539,324
Total liabilities		**6,108,423**	6,489,446
Total equity and liabilities		**8,525,947**	8,859,509

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
Assets			
Non-current assets			
Property, plant and equipment	11	**3**	4
Intangible assets	14	**28**	28
Interests in subsidiaries	15	**2,699,030**	2,671,212
Amounts due from subsidiaries	19	**21**	18
		2,699,082	2,671,262
Current assets			
Trade and other receivables	20	**14**	127
Amounts due from subsidiaries	19	**3,503**	3,689
Deposits, cash and bank balances	23	**952**	3,461
		4,469	7,277
Total assets		**2,703,551**	2,678,539
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	25	**2,160,580**	2,160,580
Other reserves	26	**2,905,831**	2,905,831
Accumulated losses		**(2,365,965)**	(2,393,600)
Total equity		**2,700,446**	2,672,811
Current liabilities			
Trade and other payables	30	**1,166**	891
Amounts due to subsidiaries	32	**1,939**	4,837
Total liabilities		**3,105**	5,728
Total equity and liabilities		**2,703,551**	2,678,539

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	← Attributable to owners of the parent →					
	← Non-distributable →				Non-	
	Share capital RM'000 (Note 25)	Other reserves RM'000 (Note 26)	Retained profits RM'000	Total RM'000	controlling interests RM'000	Total equity RM'000
At 31 December 2022, as previously reported	2,160,580	(1,512,314)	835,827	1,484,093	968,972	2,453,065
Effects of adoption of amendments to MFRS 112 (Note 2.2)	-	-	(45,629)	(45,629)	(37,373)	(83,002)
At 31 December 2022 (restated) and 1 January 2023	2,160,580	(1,512,314)	790,198	1,438,464	931,599	2,370,063
Total comprehensive income/ (loss) for the financial year	-	16,075	(19,186)	(3,111)	58,701	55,590
Transactions with owners						
Transfer from capital reserves	-	(3,473)	3,473	-	-	-
Dividends to non-controlling interests	-	-	-	-	(8,129)	(8,129)
Total transactions with owners	-	(3,473)	3,473	-	(8,129)	(8,129)
At 31 December 2023	2,160,580	(1,499,712)	774,485	1,435,353	982,171	2,417,524

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

	Attributable to owners of the parent					
	Non-distributable					
	Share capital RM'000 (Note 25)	Other reserves RM'000 (Note 26)	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 31 December 2021, as previously reported	2,155,630	(1,409,122)	954,143	1,700,651	1,153,071	2,853,722
Effects of adoption of amendments to MFRS 112 (Note 2.2)	-	-	(55,909)	(55,909)	(45,793)	(101,702)
At 31 December 2021 (restated) and 1 January 2022	2,155,630	(1,409,122)	898,234	1,644,742	1,107,278	2,752,020
Total comprehensive loss for the financial year	-	(101,563)	(109,665)	(211,228)	(174,322)	(385,550)
Transactions with owners						
Transfer from capital reserves	-	(1,629)	1,629	-	-	-
Issue of share capital	4,950	-	-	4,950	-	4,950
Dividends to non-controlling interests	-	-	-	-	(1,357)	(1,357)
Total transactions with owners	4,950	(1,629)	1,629	4,950	(1,357)	3,593
At 31 December 2022	2,160,580	(1,512,314)	790,198	1,438,464	931,599	2,370,063

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	← Non-distributable	→		
	Share capital RM'000 (Note 25)	Other reserves RM'000 (Note 26)	Accumulated losses RM'000	Total equity RM'000
At 1 January 2023	**2,160,580**	**2,905,831**	**(2,393,600)**	**2,672,811**
Total comprehensive income for the financial year	**-**	**-**	**27,635**	**27,635**
At 31 December 2023	**2,160,580**	**2,905,831**	**(2,365,965)**	**2,700,446**
At 1 January 2022	2,155,630	2,905,831	(2,410,697)	2,650,764
Total comprehensive income for the financial year	-	-	17,097	17,097
Transactions with owners				
Issue of share capital, representing total transactions with owners	4,950	-	-	4,950
At 31 December 2022	2,160,580	2,905,831	(2,393,600)	2,672,811

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit/(loss) before tax:				
- Continuing operations	**115,303**	(154,052)	**27,753**	17,122
- Discontinued operations	**(14,868)**	(7,421)	**-**	-
Adjustments for:				
Depreciation and amortisation	**494,832**	547,546	**2**	1
Write off of:				
- Property, plant and equipment	**1,237**	481	**-**	-
- Receivables	**3**	-	**3**	-
Gain on disposal of properties	**(23,756)**	-	**-**	-
Impairment loss on:				
- Property, plant and equipment	**3,414**	3,112	**-**	-
- Right-of-use assets	**15,407**	25,057	**-**	-
- Intangible assets	**83,267**	32,500	**-**	-
- Receivables	**28,058**	12,992	**113**	-
- Amounts due from subsidiaries	**-**	-	**-**	97
Loss on termination of subleases	**97,046**	-	**-**	-
Gain on termination of lease with landlord	**(65,607)**	-	**-**	-
Gain on deconsolidation of subsidiaries	**(35,065)**	-	**-**	-
Write down of inventories	**190**	656	**-**	-
Reversal of impairment loss on:				
- Property, plant and equipment	**-**	(1,271)	**-**	-
- Right-of-use assets	**-**	(6,630)	**-**	-
- Receivables	**(1,017)**	(2,844)	**-**	-
- Amount due from a subsidiary	**-**	-	**(29,654)**	(18,127)
Unrealised foreign currency exchange loss	**10,475**	30,361	**-**	-
Loss/(gain) on disposal of:				
- Property, plant and equipment	**2,717**	1,980	**-**	-
- Investment properties	**733**	(811)	**-**	-
- A subsidiary	**-**	(869)	**-**	-
Rent concessions related to COVID-19	**(1,097)**	(40,717)	**-**	-

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (cont'd.)				
Share of results of associates	**(8,210)**	1,001	**-**	-
Share of results of joint ventures	**(7,170)**	1,124	**-**	-
Finance costs	**385,516**	369,622	**-**	-
Finance income	**(50,994)**	(54,045)	**(84)**	(821)
Income from subleasing right-of-use assets	**(11,752)**	(581)	**-**	-
Income from lease modification and lease termination	**(32,441)**	(13,199)	**-**	-
Dividend income from investment securities	**(771)**	(750)	**-**	-
Operating profit/(loss) before working capital changes	**985,450**	743,242	**(1,867)**	(1,728)
Changes in working capital:				
Inventories	**40,139**	(10,806)	**-**	-
Receivables	**(226,732)**	(144,258)	**2,016**	(4,201)
Payables	**117,271**	(137,780)	**(2,623)**	1,031
Cash flows generated from/ (used in) operations	**916,128**	450,398	**(2,474)**	(4,898)
Taxes (paid)/refunded	**(97,488)**	(80,300)	**(118)**	(25)
Interest paid	**(155,508)**	(94,298)	**-**	-
Interest received	**25,713**	28,957	**84**	12
Net cash flows generated from/ (used in) operating activities	**688,845**	304,757	**(2,508)**	(4,911)
Cash flows from investing activities				
Purchase of property, plant and equipment (Note 11(iv))	**(63,991)**	(64,779)	**(1)**	-
Additions to investment properties	**(24,844)**	(37,810)	**-**	-
Proceeds from disposal of:				
- Property, plant and equipment	**67**	237	**-**	-
- Investment properties	**-**	3,838	**-**	-
- Non-current assets classified as held for sale	**86,106**	84,293	**-**	-
Proceeds from subleases	**82,757**	63,788	**-**	-

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash flows from investing activities (cont'd.)				
Proceeds from redemption of an investment security	**15,000**	-	**-**	-
Net cash outflow on deconsolidation of subsidiaries (Note 15(a))	**(209)**	-	**-**	-
Net cash inflow on disposal of equity interest in a subsidiary (Note 15(b))	**-**	84	**-**	-
Dividends received from:				
- Associates	**2,734**	4,021	**-**	-
- A joint venture	**15,573**	-	**-**	-
- Investment securities	**1,831**	1,350	**-**	-
Changes in:				
- Investment securities	**32,791**	(11,171)	**-**	-
- Deposits with banks	**(6,268)**	431,799	**-**	-
Net cash flows generated from/ (used in) investing activities	**141,547**	475,650	**(1)**	-
Cash flows from financing activities				
Dividends paid to non-controlling interests	**(8,129)**	(1,357)	**-**	-
Issue of share capital (Note 25)	**-**	4,950	**-**	4,950
Proceeds from loans and borrowings (Note 27)	**26,406**	1,411,773	**-**	-
Repayment of loans and borrowings (Note 27)	**(83,050)**	(1,156,486)	**-**	-
Payment of lease liabilities	**(624,459)**	(586,023)	**-**	-
Net cash flows (used in)/generated from financing activities	**(689,232)**	(327,143)	**-**	4,950
Net increase/(decrease) in cash and cash equivalents	**141,160**	453,264	**(2,509)**	39
Effects of changes in exchange rates	**39,823**	(9,141)	**-**	-
Cash and cash equivalents at beginning of the financial year	**1,251,268**	807,145	**3,461**	3,422
Cash and cash equivalents at end of the financial year (Note 23)	**1,432,251**	1,251,268	**952**	3,461

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office and the principal place of business of the Company are both located at Level 14, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 15. There have been no significant changes in the nature of the principal activities of the Company and of the Group during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 5 April 2024.

2. Summary of material accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000 or '000) except when otherwise indicated.

2.2 Adoption of new and amended standards

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2023, the Group and the Company adopted the following new and amended standards which are mandatory for annual periods beginning on or after 1 January 2023:

Description

- MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

2. Summary of material accounting policies (cont'd.)

2.2 Adoption of new and amended standards (cont'd.)

On 1 January 2023, the Group and the Company adopted the following new and amended standards which are mandatory for annual periods beginning on or after 1 January 2023: (cont'd.)

Description

- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112 Income Taxes - International Tax Reform: Pillar Two Model Rules

The adoption of the above new and amended standards did not result in material impact to the financial statements of the Group and of the Company, except for the following:

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions, is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions, is itself material. The Malaysian Accounting Standards Board ("MASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The amendments had changed the Group's and the Company's disclosures of accounting policies but not impacted on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

2. Summary of material accounting policies (cont'd.)

2.2 Adoption of new and amended standards (cont'd.)

Amendments to MFRS 112 Income Taxes

The amendments clarify that the initial recognition exemption of deferred tax in MFRS 112 does not apply to transactions that give rise to equal taxable and deductible temporary differences, such as lease contracts that give rise to the recognition of a lease liability and the corresponding right-of-use assets and contracts that give rise to the recognition of decommissioning obligations and corresponding amounts recognised as assets. Instead, entities are required to recognise the related deferred tax asset and liability on initial recognition, with the recognition of any deferred tax asset being subject to the recoverability criteria in MFRS 112.

The Group adopted the amendments from 1 January 2023 and is required to recognise the associated deferred tax assets and liabilities from leases that occurred on or after 1 January 2022 from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained profits at that date.

Prior to the application of the amendments, the Group had recognised the deferred tax assets and liabilities arising from leases on a net basis. Following the requirements of the amendments, the Group has recognised deferred tax liabilities in relation to its right-of-use assets as at 1 January 2022 and has only recognised deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

The impact of the retrospective adjustments of the changes in MFRS 112 on the items and amounts in the consolidated financial statements for the comparative period, is as follows:

Consolidated statement of profit or loss

	As previously reported RM'000	Effects RM'000	Restated RM'000
For the financial year ended 31 December 2022			
Income tax expense	(49,470)	18,700	(30,770)
Loss for the year attributable to:			
Owners of the parent	(119,945)	10,280	(109,665)
Non-controlling interests	(90,998)	8,420	(82,578)

2. Summary of material accounting policies (cont'd.)

2.2 Adoption of new and amended standards (cont'd.)

Amendments to MFRS 112 Income Taxes (cont'd.)

The impact of the retrospective adjustments of the changes in MFRS 112 on the items and amounts in the consolidated financial statements for the comparative period, is as follows: (cont'd.)

Consolidated statement of financial position

	As previously reported as at 31.12.2021 RM'000	Effects RM'000	Restated as at 31.12.2021 RM'000
Deferred tax assets	200,170	(28,562)	171,608
Deferred tax liabilities	136,524	73,140	209,664
Retained profits	954,143	(55,909)	898,234
Non-controlling interests	1,153,071	(45,793)	1,107,278

	As previously reported as at 31.12.2022 RM'000	Effects RM'000	Restated as at 31.12.2022 RM'000
Deferred tax assets	220,514	(33,248)	187,266
Deferred tax liabilities	126,149	49,754	175,903
Retained profits	835,827	(45,629)	790,198
Non-controlling interests	968,972	(37,373)	931,599

2. Summary of material accounting policies (cont'd.)

2.3 Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

<u>Effective for annual periods beginning on or after 1 January 2024</u>

- Amendments to MFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

<u>Effective for annual periods beginning on or after 1 January 2025</u>

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

<u>Deferred to a date to be determined by the MASB</u>

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The above standards and amendments are not expected to have a material impact on the financial statements of the Group and of the Company in the period of initial application.

2.4 Investments in subsidiaries

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any accumulated impairment losses.

2.5 Investments in associates and joint ventures

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Investments in associates and joint ventures are recognised in the Group's statements of financial position at cost less any accumulated impairment losses, unless the investments are classified as held for sale or distribution.

2. Summary of material accounting policies (cont'd.)

2.6 Property, plant and equipment and depreciation

Construction in progress, and property, plant and equipment are stated at cost less any accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	25 - 45 years
Office equipment and vehicles	4 - 10 years
Furniture, fittings and other equipment	1 - 10 years
Renovations	2 - 10 years

Land, including the legal costs incurred at initial acquisition of land rights, is stated at cost and not depreciated.

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

2.7 Investment properties

Investment properties and investment properties under construction ("IPUC") are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. These investment properties are depreciated to write off the value over the unexpired lease terms ranging from 32 to 42 years (2022: 32 to 42 years). IPUC are not depreciated as they are not yet ready for their intended use.

2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

2. Summary of material accounting policies (cont'd.)

2.8 Intangible assets (cont'd.)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating units ("CGUs") level.

- **Computer software**

  Computer software of the Group is amortised on a straight-line basis over their estimated useful lives ranging from 5 to 8 years.

- **Club memberships**

  Club memberships are amortised on a straight-line basis over their original useful lives ranging from 25 to 99 years.

- **Brands**

  Brands represent supplier exclusive right for sales of goods and services to a chain of outlets by the Group. Brands are amortised on a straight-line basis over their estimated useful lives ranging from 10 to 14 years.

2.9 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. Land use rights are amortised over their original lease terms which range from 42 to 45 years (2022: 42 to 45 years).

2.10 Impairment of non-financial assets

The following assets have specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually as at 31 December and also when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or groups of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

2. Summary of material accounting policies (cont'd.)

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of merchandise and consumables are determined using the weighted average method. The cost of merchandise and consumables comprise cost of purchase.

In determination of closing inventories, cost is calculated based on weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

2.13 Leases

(a) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(b) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have lease terms of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

2. Summary of material accounting policies (cont'd.)

2.14 Revenue recognition

The following information represents the typical transactions of the Group and of the Company:

(a) Sales of goods - direct sales

Revenue on sales of goods - direct sales from retail stores is recognised at a point in time net of sales taxes and discounts upon the transfer of control of goods to the customer, usually on the delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Commissions from concessionaire sales

Commissions from concessionaire sales are recognised at a point in time upon the sales of goods by the concessionaire.

(c) Revenue from services

Revenue from services rendered is recognised at a point in time net of service taxes and discounts and when the services are rendered.

(d) Promotion income and sales commissions

Promotion income and minimum guaranteed sales commissions are recognised at a point in time according to the underlying contract terms with concessionaires and as these services have been provided in accordance therewith.

(e) Consultancy and management service fees

Revenue from the provision of consultancy and management services is recognised over the scheduled period on a straight-line basis as the customer simultaneously receives and consumes the benefits provided by the Group.

2. Summary of material accounting policies (cont'd.)

2.14 Revenue recognition (cont'd.)

The following information represents the typical transactions of the Group and of the Company: (cont'd.)

(f) Revenue from customer loyalty award

Revenue from customer loyalty award is recognised at a point in time when the obligation in respect of the award is fulfilled.

The Group has loyalty points programme, which allows customers to accumulate points when they purchase products in the Group's stores. The points can be redeemed for free or discounted goods from the Group's stores, subject to a minimum number of points being obtained.

The Group allocates consideration received from the sale of goods to the goods sold and the points issued that are expected to be redeemed.

The consideration allocated to the points issued is measured at the fair value of the points. It is recognised as contract liabilities on the statements of financial position and recognised as revenue when the points are redeemed, have expired or are no longer expected to be redeemed. The amount of revenue recognised is based on the number of points that have been redeemed, relative to the total number expected to be redeemed.

(g) Revenue from food and beverage operations

Revenue from food and beverage operations is recognised at a point in time upon the delivery of products and customers' acceptance, if any, and performance of services.

(h) Revenue from credit services

Revenue from credit services represents the profit income from financing receivables. The revenue is recognised as income over the period of instalment payments calculated using the effective profit rate method.

The payment terms for billing arising from revenue are disclosed in Note 20.

2. Summary of material accounting policies (cont'd.)

2.15 Fair value measurement

The Group measures financial instruments, such as derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or

- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2. Summary of material accounting policies (cont'd.)

2.15 Fair value measurement (cont'd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. Significant accounting judgements and estimates

The preparation of the Group's and of the Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainties about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(i) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, in assessing whether a property qualifies as an investment property, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. Significant accounting judgements and estimates (cont'd.)

3.1 Judgements made in applying accounting policies (cont'd.)

(ii) Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The Group considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstance that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of commercial properties with shorter non-cancellable period (i.e. three years). The Group typically exercises its option to renew these leases as there will be a significant negative effect on operations if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised. The information about the leases is disclosed in Note 13.

3.2 Key sources of estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

3. Significant accounting judgements and estimates (cont'd.)

3.2 Key sources of estimation uncertainties (cont'd.)

(i) Income taxes (cont'd.)

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authorities. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies. The information of the Group’s income taxes is disclosed in Note 9.

(ii) Impairment of receivables

The Group uses a provision matrix to calculate expected credit loss ("ECL") for loan receivables from credit services segment. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating).

The provision matrix is initially based on the Group's historically observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic condition is expected to deteriorate over the next year which can lead to increasing number of defaults, the historical default rates are adjusted. At each reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 20.

For other receivables, the Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is an objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is an objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's and of the Company's receivables at the reporting date are disclosed in Note 20.

3. Significant accounting judgements and estimates (cont'd.)

3.2 Key sources of estimation uncertainties (cont'd.)

(iii) Impairment of goodwill and other intangibles

The Group recognises impairment loss in respect of goodwill and other intangibles when the carrying value exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Goodwill and other intangibles are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the CGUs to which goodwill and other intangibles are allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in assumptions are disclosed in Note 14.

The Group's impairment loss recognised is segregated by the segment below:

	2023 RM'000	2022 RM'000
Retailing - China	**83,267**	32,500

(iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence, there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

The Group has RM929,093,000 (2022: RM950,580,000) of unused tax losses and RM24,935,000 (2022: RM28,411,000) of unabsorbed capital allowances. These losses and capital allowances relate to subsidiaries that have history of losses, not expired and may not be used to offset taxable income elsewhere in the Group.

3. Significant accounting judgements and estimates (cont'd.)

3.2 Key sources of estimation uncertainties (cont'd.)

(iv) Deferred tax assets (cont'd.)

The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses and capital allowances as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses and capital allowances carried forward at the reporting date.

If the Group was able to recognise all unrecognised deferred tax assets, the profit or loss and the equity would have increased by RM241,064,000 (2022: RM248,995,000). Further details on deferred taxes are disclosed in Note 18.

(v) Impairment of property, plant and equipment and right-of-use assets

The Group recognises impairment loss in respect of renovations, furniture, fittings, other equipment and right-of-use assets when the carrying value of the individual stores, defined as smallest CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. This requires an estimation of the value in use of the individual stores to which the property, plant and equipment and right-of-use assets are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the individual stores and to choose a suitable pre-tax discount rate to calculate the present value of the cash flow projections. Loss making stores in current financial year indicates there is an impairment of property, plant and equipment and right-of-use assets. The carrying amount and impairment loss of the Group's property, plant and equipment and right-of-use assets during the financial years are disclosed in Notes 11 and 13(a) respectively.

The pre-tax discount rates applied to the cash flow projection for Malaysia and China are 10.7% (2022: 7.8%) and 11.0% (2022: 10.5%) respectively.

The Group's impairment loss recognised is segregated by segments as follows:

	Property, plant and equipment		**Right-of-use assets**	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Continuing operations:				
Retailing - China	**3,414**	2,400	**15,407**	25,057
Discontinued operations	**-**	712	**-**	-
	3,414	3,112	**15,407**	25,057

3. Significant accounting judgements and estimates (cont'd.)

3.2 Key sources of estimation uncertainties (cont'd.)

(vi) Leases - estimating the incremental borrowing rate

The Group uses its incremental borrowing rate ("IBR") to measure lease liabilities as the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates such as the subsidiary's stand-alone credit rating.

(vii) Impairment of interest in subsidiary

The Company determines whether its interest in subsidiary is impaired. This involves an estimation of the value in use of the subsidiary. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the subsidiary, to choose a suitable pre-tax discount rate to calculate the present value of the cash flow projections and to estimate a forecasted growth rate to extrapolate cash flow projections up to 5-year period. The carrying amount of the Company's interests in subsidiaries recognised at the reporting date is disclosed in Note 15.

(viii) Provisions for restoration costs

The Group makes provisions for restoration costs based on the estimated costs to restore the leased areas in the event of relocation. As at 31 December 2023, the Group has the balance of provisions for restoration costs of RM24,674,000 (2022: RM23,033,000). A 10% difference in the estimated costs to restore the leased areas would result in approximately RM2,467,000 (2022: RM2,303,000) variance in provisions for restoration costs. Further details on provisions for restoration costs are disclosed in Note 29.

3. Significant accounting judgements and estimates (cont'd.)

3.2 Key sources of estimation uncertainties (cont'd.)

(ix) Allowance for inventory obsolescence and slow-moving inventories

Management reviews the condition of inventories of the Group and makes allowance against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Management estimates the net realisable value for such inventories based on primarily the latest invoice prices and current market conditions. The Group carries out an inventory review at the end of each reporting period and makes allowance for inventory obsolescence and slow-moving items. Management reassesses the estimation by the end of each reporting period. Further details on inventories are disclosed in Note 24.

(x) Non-current assets classified as held for sale

During the financial year ended 31 December 2023, the Group had entered into a sale and purchase agreement in relation to the proposed disposal of part of a leasehold land. In the previous financial year ended 31 December 2022, the Group had entered into a sale and purchase agreement with a third party to dispose of its entire equity interests in certain joint ventures and the completion of disposal is subject to and conditional upon the conditions precedent being fulfilled. These assets were reclassified as non-current assets classified as held for sale as at 31 December 2023. The Group considers these assets meet the criteria to be classified as held for sale for the following reasons:

- assets are available for immediate sale and can be sold to potential buyers in their current conditions;
- actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification; and
- third party buyers have been identified and negotiations are at an advance stage at the reporting date.

Further details on non-current assets classified as held for sale are disclosed in Note 34.

4. Revenue

	Group 2023 RM'000	Group 2022 RM'000
Continuing operations		
Revenue from contracts with customers: (i)		
Sales of goods - direct sales	**1,742,786**	1,739,139
Commissions from concessionaire sales (ii)	**878,145**	867,035
Food and beverage ("F&B") operations	**7,595**	6,729
Consultancy and management service fees	**8,627**	7,379
	2,637,153	2,620,282
Revenue from other sources:		
Rental income	**417,526**	247,914
Credit services	**66,505**	46,050
Dividend income from investment securities	**771**	750
	484,802	294,714
	3,121,955	2,914,996
Discontinued operations		
Revenue from contracts with customers: (i)		
Commissions from concessionaire sales (ii)	**1,728**	5,425
Revenue from other sources:		
Rental income	**2,224**	2,160
	3,952	7,585

4. Revenue (cont'd.)

(i) Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Sales of goods - direct sales RM'000	Commissions from concessionaire sales RM'000	F&B operations RM'000	Consultancy and management service fees RM'000	Total revenue from contracts with customers RM'000
2023					
Continuing operations					
Geographical market:					
Within Malaysia	372,892	390,933	7,595	-	771,420
Outside Malaysia	1,369,894	487,212	-	8,627	1,865,733
	1,742,786	878,145	7,595	8,627	2,637,153
Timing of revenue recognition:					
At a point in time	1,742,786	878,145	7,595	-	2,628,526
Over time	-	-	-	8,627	8,627
	1,742,786	878,145	7,595	8,627	2,637,153
Discontinued operations					
Geographical market:					
Outside Malaysia	-	1,728	-	-	1,728
Timing of revenue recognition:					
At a point in time	-	1,728	-	-	1,728

4. Revenue (cont'd.)

(i) Set out below is the disaggregation of the Group's revenue from contracts with customers: (cont'd.)

	Sales of goods - direct sales RM'000	Commissions from concessionaire sales RM'000	F&B operations RM'000	Consultancy and management service fees RM'000	Total revenue from contracts with customers RM'000
2022					
Continuing operations					
Geographical market:					
Within Malaysia	343,255	406,908	6,729	-	756,892
Outside Malaysia	1,395,884	460,127	-	7,379	1,863,390
	1,739,139	867,035	6,729	7,379	2,620,282
Timing of revenue recognition:					
At a point in time	1,739,139	867,035	6,729	-	2,612,903
Over time	-	-	-	7,379	7,379
	1,739,139	867,035	6,729	7,379	2,620,282
Discontinued operations					
Geographical market:					
Outside Malaysia	-	5,425	-	-	5,425
Timing of revenue recognition:					
At a point in time	-	5,425	-	-	5,425

(ii) The commissions from concessionaire sales are analysed as follows:

	Group 2023 RM'000	Group 2022 RM'000
Gross revenue from concessionaire sales		
- Continuing operations	**5,116,523**	4,970,240
- Discontinued operations	**7,456**	26,480
Commissions from concessionaire sales		
- Continuing operations	**878,145**	867,035
- Discontinued operations	**1,728**	5,425

5. Other income

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Management fees	**80,261**	71,123	**-**	-
Promotion income	**30,976**	29,446	**-**	-
Administration fees	**96,176**	90,162	**-**	-
Credit card handling fees	**16,799**	16,000	**-**	-
Equipment and display space lease income	**39,223**	36,154	**-**	-
Service fees	**15,594**	14,918	**-**	-
Government grants (i)	**9,540**	6,855	**-**	-
Income from subleasing right-of-use assets	**11,752**	581	**-**	-
Income from lease modification and lease termination	**32,441**	13,199	**-**	-
Others	**24,452**	41,048	**-**	-
	357,214	319,486	**-**	-
Discontinued operations				
Others	**859**	460	**-**	-

(i) Various government grants were provided by the local authorities in the People's Republic of China ("PRC") to reward certain subsidiaries for their contributions to the local economy. There were no unfulfilled conditions or contingencies attached to these government grants.

6. Employee benefits expense

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Wages, salaries and bonuses	**336,048**	356,562	**195**	195
Defined contribution plans	**41,636**	44,839	**-**	-
Other staff related expenses	**63,603**	68,871	**9**	9
	441,287	470,272	**204**	204
Discontinued operations				
Wages, salaries and bonuses	**995**	1,975	**-**	-
Other staff related expenses	**679**	1,450	**-**	-
	1,674	3,425	**-**	-

Included in employee benefits expense of the Group and of the Company are executive Directors' remuneration amounting to RM3,378,000 (2022: RM3,368,000) and RM203,000 (2022: RM203,000) respectively as further disclosed in Note 8(b).

7. Finance income/costs

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Finance income				
Continuing operations				
Interest income on:				
Short term deposits and others	**29,662**	25,387	**38**	12
Amounts due from subsidiaries	**-**	-	**46**	809
Lease receivables from subleases	**14,748**	17,563	**-**	-
Discount adjustments on rental deposits receivable	**806**	1,149	**-**	-
Gain on redemption of financial assets at fair value through profit or loss ("FVPL")	**774**	946	**-**	-
Change of fair value of financial assets at FVPL	**533**	751	**-**	-
	46,523	45,796	**84**	821
Discontinued operations				
Interest income on lease receivables from subleases	**4,471**	7,911	**-**	-
Others	**-**	338	**-**	-
	4,471	8,249	**-**	-
Finance costs				
Continuing operations				
Interest expenses on:				
Term loan and bank loans	**146,193**	93,088	**-**	-
Bank overdrafts and others	**385**	388	**-**	-
Lease liabilities	**232,857**	268,412	**-**	-
Unwinding of discount on:				
Rental deposits payable	**27**	29	**-**	-
Provisions for restoration costs	**890**	558	**-**	-
	380,352	362,475	**-**	-
Discontinued operations				
Interest expenses on:				
Lease liabilities	**4,132**	7,131	**-**	-
Others	**1,032**	16	**-**	-
	5,164	7,147	**-**	-

8. Profit/(loss) before tax

(a) Profit/(loss) before tax is stated at after charging/(crediting):

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Continuing operations				
Directors' remuneration (Note 8(b))	**3,604**	3,547	**429**	382
Auditors' remuneration related to:				
Statutory audit:				
- Grant Thornton Malaysia PLT	**894**	858	**31**	30
- Member firm of Grant Thornton International	**2,461**	2,400	**-**	-
- Other auditors	**557**	491	**-**	-
- Overprovision	**-**	(35)	**-**	-
Assurance-related services:				
- Grant Thornton Malaysia PLT	**23**	14	**8**	8
- Member firm of Grant Thornton International	**96**	241	**-**	-
- Other auditors	**17**	16	**-**	-
Depreciation and amortisation:				
- Property, plant and equipment	**131,771**	144,462	**2**	1
- Investment properties	**15,820**	5,779	**-**	-
- Right-of-use assets	**347,218**	397,209	**-**	-
- Intangible assets	**6**	48	**-**	-
Write off of:				
- Property, plant and equipment	**1,237**	481	**-**	-
- Receivables	**3**	-	**3**	-
Allowance for impairment loss on receivables	**14,854**	12,992	**113**	-
Write down of inventories	**190**	656	**-**	-
Reversal of impairment loss on:				
- Property, plant and equipment	**-**	(1,271)	**-**	-
- Right-of-use assets	**-**	(6,630)	**-**	-
- Receivables	**(1,017)**	(2,844)	**-**	-

8. Profit/(loss) before tax (cont'd.)

(a) Profit/(loss) before tax is stated at after charging/(crediting): (cont'd.)

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Continuing operations (cont'd.)				
Foreign currency exchange loss:				
- Realised	**174**	5,417	**-**	-
- Unrealised	**10,475**	30,361	**-**	-
Loss/(gain) on disposal of:				
- Property, plant and equipment	**2,717**	1,980	**-**	-
- Investment properties	**733**	(811)	**-**	-
- A subsidiary (Note 15(b))	**-**	(869)	**-**	-
Operating lease rentals in respect of leased properties:				
- Minimum lease payments	**84,041**	60,774	**-**	-
- Rent concessions related to COVID-19	**(1,097)**	(40,717)	**-**	-
Discontinued operations				
Auditors' remuneration related to statutory audit:				
- Other auditors	**51**	64	**-**	-
Operating lease rentals in respect of leased properties:				
- Minimum lease payments	**3,928**	3,850	**-**	-

8. Profit/(loss) before tax (cont'd.)

(b) The details of remuneration paid to or receivable by the Directors of the Company during the financial year are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Continuing operations				
Executive Directors:				
Fees	**361**	331	**75**	75
Salaries and other emoluments	**2,969**	2,991	**128**	128
Pension costs - defined contribution plans	**48**	46	**-**	-
	3,378	3,368	**203**	203
Non-executive Directors:				
Fees	**185**	145	**185**	145
Other emoluments	**41**	34	**41**	34
	226	179	**226**	179
Total Directors' remuneration (Note 8(a))	**3,604**	3,547	**429**	382

8. Profit/(loss) before tax (cont'd.)

(c) The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors			
	Group		Company	
	2023	**2022**	**2023**	**2022**
Continuing operations				
Executive Directors:				
- RM50,000 and below	**-**	-	**1**	1
- RM150,001 to RM200,000	**-**	-	**1**	1
- RM450,001 to RM500,000	**-**	1	**-**	-
- RM500,001 to RM550,000	**1**	-	**-**	-
- RM2,800,001 to RM2,850,000	**1**	-	**-**	-
- RM2,850,001 to RM2,900,000	**-**	1	**-**	-
Non-executive Directors *:				
- RM50,000 and below	**-**	1	**-**	1
- RM50,001 to RM100,000	**4**	3	**4**	3

* 2022: Including a Director who was appointed on 24 November 2022.

(d) Other expenses of the Group consist mainly of utilities cost, selling and distribution expenses, property management expenses, and general and administrative expenses.

9. Income tax expense

The major components of income tax expense in the statements of profit or loss are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Continuing operations				
Income tax:				
Malaysian income tax	**44,282**	53,194	**118**	4
Foreign tax	**56,265**	31,368	**-**	-
	100,547	84,562	**118**	4
(Over)/under provision in prior years	**(2,105)**	(807)	**-**	21
	98,442	83,755	**118**	25
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	**(26,874)**	(54,394)	**-**	-
(Over)/under provision in prior years	**(61)**	1,409	**-**	-
	(26,935)	(52,985)	**-**	-
Total income tax expense	**71,507**	30,770	**118**	25

The Group is subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

Domestic current income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profit or loss for the years.

Under the PRC income tax regulation, except for certain preferential treatments available to certain PRC subsidiaries of the Group, the PRC companies are subject to corporate income tax at a rate of 25% (2022: 25%) on their respective taxable income. As at 31 December 2023, 3 (2022: 3) PRC entities within the Group were granted preferential corporate income tax rate of 15% from the relevant PRC tax authorities.

Subsidiaries incorporated in Vietnam, Singapore, Cambodia, Laos and Myanmar are subject to tax rates of 20%, 17%, 20%, 20% and 22% (2022: 20%, 17%, 20%, 20% and 22%) respectively for the financial year ended 31 December 2023.

9. Income tax expense (cont'd.)

Reconciliation between tax expense and accounting profit/(loss)

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial year are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Profit/(loss) before tax:				
- Continuing operations	**115,303**	(154,052)	**27,753**	17,122
- Discontinued operations	**(14,868)**	(7,421)	**-**	-
	100,435	(161,473)	**27,753**	17,122
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	**24,104**	(38,754)	**6,661**	4,109
Different tax rates in other jurisdiction	**(2,612)**	(238)	**-**	-
Expenses not deductible for tax purposes	**66,803**	28,664	**574**	439
Income not subject to tax	**(3,165)**	(2,173)	**(7,117)**	(4,544)
Deferred tax assets not recognised	**16,384**	47,665	**-**	-
Utilisation of previously unrecognised tax losses	**(24,315)**	(6,040)	**-**	-
Reversal of previously recognised tax losses	**879**	1,095	**-**	-
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	**(714)**	(561)	**-**	-
(Over)/under provision of income tax in prior years	**(2,105)**	(807)	**-**	21
(Over)/under provision of deferred tax in prior years	**(61)**	1,409	**-**	-
Effects on share of results of associates and joint ventures	**(3,691)**	510	**-**	-
Tax expense	**71,507**	30,770	**118**	25

The above reconciliation has been prepared by aggregating separate reconciliations for each national jurisdiction.

10. Loss per share

(a) Basic

Basic loss per share is calculated by dividing the loss for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2023	**2022 (Restated)**
Loss for the financial year attributable to owners of the parent (RM'000):		
- Continuing operations	**(9,082)**	(104,622)
- Discontinued operations	**(10,104)**	(5,043)
	(19,186)	(109,665)
Weighted average number of ordinary shares in issue ('000)	**1,148,902**	1,143,971
Basic loss per share (sen):		
- Continuing operations	**(0.79)**	(9.15)
- Discontinued operations	**(0.88)**	(0.44)
	(1.67)	(9.59)

(b) Diluted

The basic loss per share and the diluted loss per share are the same for the financial year as the Company has no dilutive potential ordinary shares as at the end of the reporting date.

11. Property, plant and equipment

Group	Buildings [(i)] RM'000	Office equipment and vehicles RM'000	Furniture, fittings and other equipment RM'000	Renovations [(ii)] RM'000	Capital work-in-progress [(iii)] RM'000	Total RM'000
At 31 December 2023						
Cost						
At 1 January 2023	1,515,674	14,169	415,242	1,296,515	509,306	3,750,906
Additions	-	325	7,121	47,321	11,909	66,676
Disposals	-	(857)	(17,115)	(63,136)	-	(81,108)
Write off	-	-	(11,583)	(22,198)	-	(33,781)
Reclassification from investment properties (Note 12)	-	-	1,716	238	-	1,954
Reclassification	-	-	122	11,452	(11,574)	-
Exchange differences	25,994	245	28,722	20,793	11,366	87,120
At 31 December 2023	1,541,668	13,882	424,225	1,290,985	521,007	3,791,767
Accumulated depreciation						
At 1 January 2023	342,311	11,509	342,327	1,043,120	-	1,739,267
Charge for the financial year	39,980	516	15,868	75,424	-	131,788
Disposals	-	(836)	(14,638)	(62,850)	-	(78,324)
Write off	-	-	(11,520)	(21,017)	-	(32,537)
Exchange differences	920	94	14,342	18,954	-	34,310
At 31 December 2023	383,211	11,283	346,379	1,053,631	-	1,794,504

11. Property, plant and equipment (cont'd.)

Group	Buildings (i) RM'000	Office equipment and vehicles RM'000	Furniture, fittings and other equipment RM'000	Renovations (ii) RM'000	Capital work-in-progress (iii) RM'000	Total RM'000
At 31 December 2023 (cont'd.)						
Accumulated impairment loss						
At 1 January 2023	-	50	24,068	41,987	38,996	105,101
Impairment loss for the financial year	-	12	393	1,718	1,291	3,414
Write off	-	-	-	(7)	-	(7)
Exchange differences	-	146	6,432	6,036	2,169	14,783
At 31 December 2023	-	208	30,893	49,734	42,456	123,291
Net carrying amount						
At 31 December 2023	1,158,457	2,391	46,953	187,620	478,551	1,873,972

11. Property, plant and equipment (cont'd.)

Group	Buildings [(i)] RM'000	Office equipment and vehicles RM'000	Furniture, fittings and other equipment RM'000	Renovations [(ii)] RM'000	Capital work-in-progress [(iii)] RM'000	Total RM'000
At 31 December 2022						
Cost						
At 1 January 2022	1,785,555	16,269	465,384	1,373,937	539,815	4,180,960
Additions	-	590	6,962	50,140	9,160	66,852
Disposals	-	(2,756)	(17,255)	(108,160)	-	(128,171)
Write off	-	-	(20,159)	(15,601)	-	(35,760)
Disposal of a subsidiary (Note 15(b))	-	-	(7,475)	-	-	(7,475)
Reclassification to non-current assets classified as held for sale (Note 34)	(208,836)	-	-	-	-	(208,836)
Reclassification	-	-	634	23,846	(24,480)	-
Exchange differences	(61,045)	66	(12,849)	(27,647)	(15,189)	(116,664)
At 31 December 2022	1,515,674	14,169	415,242	1,296,515	509,306	3,750,906

11. Property, plant and equipment (cont'd.)

Group	Buildings [(i)] RM'000	Office equipment and vehicles RM'000	Furniture, fittings and other equipment RM'000	Renovations [(ii)] RM'000	Capital work-in-progress [(iii)] RM'000	Total RM'000
At 31 December 2022 (cont'd.)						
Accumulated depreciation						
At 1 January 2022	461,935	13,677	355,301	1,118,619	-	1,949,532
Charge for the financial year	44,715	472	27,755	71,568	-	144,510
Disposals	-	(2,641)	(15,377)	(107,936)	-	(125,954)
Write off	-	-	(13,030)	(15,218)	-	(28,248)
Disposal of a subsidiary (Note 15(b))	-	-	(6,572)	-	-	(6,572)
Reclassification to non-current assets classified as held for sale (Note 34)	(150,433)	-	-	-	-	(150,433)
Exchange differences	(13,906)	1	(5,750)	(23,913)	-	(43,568)
At 31 December 2022	342,311	11,509	342,327	1,043,120	-	1,739,267

11. Property, plant and equipment (cont'd.)

Group	Buildings [(i)] RM'000	Office equipment and vehicles RM'000	Furniture, fittings and other equipment RM'000	Renovations [(ii)] RM'000	Capital work-in-progress [(iii)] RM'000	Total RM'000
At 31 December 2022 (cont'd.)						
Accumulated impairment loss						
At 1 January 2022	-	36	30,745	50,242	37,085	118,108
Impairment loss for the financial year	-	14	1,979	1,119	-	3,112
Reversal of impairment loss for the financial year	-	-	(569)	(558)	(144)	(1,271)
Write off	-	-	(6,858)	(173)	-	(7,031)
Exchange differences	-	-	(1,229)	(8,643)	2,055	(7,817)
At 31 December 2022	-	50	24,068	41,987	38,996	105,101
Net carrying amount						
At 31 December 2022	1,173,363	2,610	48,847	211,408	470,310	1,906,538

11. Property, plant and equipment (cont'd.)

Company	Office equipment 2023 RM'000	Office equipment 2022 RM'000
Cost		
At beginning of the financial year	**9**	9
Additions	**1**	-
At end of the financial year	**10**	9
Accumulated depreciation		
At beginning of the financial year	**5**	4
Charge for the financial year	**2**	1
At end of the financial year	**7**	5
Net carrying amount		
At end of the financial year	**3**	4

(i) As at 31 December 2023, net carrying amount of buildings of RM885,127,000 (2022: RM894,572,000) are pledged with financial institutions for banking facilities extended to the Group as disclosed in Note 27.

(ii) Included in renovations are the provisions for restoration costs based on the estimated costs to restore the leased areas at the end of their respective lease term.

(iii) Capital work-in-progress comprises mainly ongoing renovation for retail stores. These capital work-in-progress will be reclassified to appropriate categories of property, plant and equipment when they are ready for their intended use.

Included in capital work-in-progress as at 31 December 2023 is a building under construction located in Tianjin City, the PRC of Rmb739,240,000 (equivalent to approximately RM477,401,000) (2022: Rmb739,240,000 or equivalent to approximately RM467,348,000).

(iv) Analysis of purchase of property, plant and equipment during the financial year are as follows:

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Aggregate costs of purchase of property, plant and equipment	**66,676**	66,852	**1**	-
Provisions for restoration costs (Note 29)	**(2,685)**	(2,073)	**-**	-
Cash payments during the financial years	**63,991**	64,779	**1**	-

11. Property, plant and equipment (cont'd.)

(v) During the financial year ended 31 December 2023, impairment charge of RM3,414,000 (2022: RM3,112,000) was recorded in the consolidated statement of profit or loss, considering that the relevant subsidiaries have been incurring losses and that it was not probable that profits will be available in the foreseeable future.

Impairment tests for property, plant and equipment

Management has carried out impairment test review for property, plant and equipment based on the recoverable amount of each cash-generating unit ("CGU"). The recoverable amount has been determined based on a value in use ("VIU") calculation using cash flow projections from financial budgets approved by directors covering a 5-year period. The pre-tax discount rates applied to the cash flow projections are as follows:

	2023	**2022**
	%	**%**
CGU		
Malaysia	**10.7**	7.8
PRC	**11.0**	10.5

Key assumptions used in VIU calculations

The calculation of VIU for the CGUs are most sensitive to the following assumptions:

Revenue	: the bases used to determine the future potential earnings are historical sales and expected growth rates of the relevant industry.
Gross margins	: gross margins are based on the average gross margin achieved in the past 3 to 5 years.
Operating expenses	: the bases used to determine the values assigned are the cost of inventories purchased for resale, staff costs, depreciation and amortisation, rental expenses and other operating expenses. The value assigned to the key assumption reflects past experience and management's commitment to maintain the operating expenses to an acceptable level.
Growth rates	: the forecasted growth rates are based on published industry research and do not exceed the long term average growth rate for the industries relevant to the CGUs.
Discount rates	: discount rates reflect management's estimate of the risks specific to these entities. In determining appropriate discount rates for each unit, consideration has been given to the applicable weighted average cost of capital for each unit.

Sensitivity to changes in assumptions

With regard to the assessment of VIU of the respective CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including property, plant and equipment, of the unit to materially exceed its recoverable amount.

12. Investment properties

Group	2023 Completed investment properties (i) RM'000	2023 IPUC (ii) RM'000	2023 Total RM'000	2022 Completed investment properties (i) RM'000	2022 IPUC (ii) RM'000	2022 Total RM'000
Cost						
At beginning of the financial year	**410,125**	**135,101**	**545,226**	424,966	194,033	618,999
Additions	**24,844**	**-**	**24,844**	37,810	-	37,810
Disposals	**(733)**	**-**	**(733)**	(3,531)	-	(3,531)
Reclassification to property, plant and equipment (Note 11)	**(1,954)**	**-**	**(1,954)**	-	-	-
Reclassification to non-current assets classified as held for sale (Note 34)	**-**	**-**	**-**	(34,327)	(58,932)	(93,259)
Exchange differences	**8,823**	**-**	**8,823**	(14,793)	-	(14,793)
At end of the financial year	**441,105**	**135,101**	**576,206**	410,125	135,101	545,226
Accumulated depreciation						
At beginning of the financial year	**69,522**	**-**	**69,522**	78,767	-	78,767
Charge for the financial year	**15,820**	**-**	**15,820**	5,779	-	5,779
Disposals	**-**	**-**	**-**	(504)	-	(504)
Reclassification to non-current assets classified as held for sale (Note 34)	**-**	**-**	**-**	(11,666)	-	(11,666)
Exchange differences	**1,499**	**-**	**1,499**	(2,854)	-	(2,854)
At end of the financial year	**86,841**	**-**	**86,841**	69,522	-	69,522

12. Investment properties (cont'd.)

Group (cont'd.)	2023 Completed investment properties (i) RM'000	2023 IPUC (ii) RM'000	2023 Total RM'000	2022 Completed investment properties (i) RM'000	2022 IPUC (ii) RM'000	2022 Total RM'000
Accumulated impairment loss						
At beginning of the financial year	**-**	**23,257**	**23,257**	-	33,833	33,833
Reclassification to non-current assets classified as held for sale (Note 34)	**-**	**-**	**-**	-	(10,576)	(10,576)
At end of the financial year	**-**	**23,257**	**23,257**	-	23,257	23,257
Net carrying amount						
At end of the financial year	**354,264**	**111,844**	**466,108**	340,603	111,844	452,447
Fair value						
At end of the financial year	**2,066,560**	**112,000**	**2,178,560**	2,023,040	112,000	2,135,040

12. Investment properties (cont'd.)

	Group 2023 RM'000	2022 RM'000
Rental income derived from investment properties	**156,909**	1,599
Direct operating expenses (including repair and maintenance) generating rental income	**(15,820)**	(1,000)
Profit arose from investment properties	**141,089**	599

(i) The Group's completed investment properties consist of commercial buildings. The fair values of buildings as at 31 December 2023 and 31 December 2022 were determined on an open market, existing use basis by the Group. The fair values of the completed investment properties are categorised as Level 3 under the fair value hierarchy.

Certain portions of the buildings are held for own use by the Group and such portions are classified as property, plant and equipment.

(ii) IPUC comprises land held by the Group. The land measuring 29.22 acres is located in Melaka, Malaysia and has a leasehold term of 99 years. The land is strategically located in a prime area designated for mixed development purposes. The net carrying amount of IPUC of RM48,356,000 were reclassified as non-current assets classified as held for sale as at 31 December 2023 and 31 December 2022 as disclosed in Note 34(ii).

The fair values of the land as at 31 December 2023 and 31 December 2022 were determined based on valuations performed by an independent professionally qualified valuer, on a direct comparison method. The fair value of the IPUC is categorised as Level 3 under the fair value hierarchy.

(iii) The Group has no restrictions on realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iv) As at 31 December 2023, net carrying amount of investment properties of RM463,633,000 (2022: RM449,989,000) are pledged for loan facilities extended to the Group as disclosed in Note 27.

13. Leases

The Group as a lessee

The Group has lease contracts for various items of leasehold land, retail and office premises, motor vehicles, furniture, fittings and other equipment used in its operations. These leases generally have the following lease terms:

Leasehold land	42 - 45 years
Retail and office premises	2 - 20 years
Motor vehicles	5 - 7 years
Furniture, fittings and other equipment	2 - 6 years

There are several lease contracts that include variable lease payments and extension options which are further discussed below.

Certain lease contracts have lease terms of 12 months or less and/or is individually of low value. The Group applies the recognition exemptions for short term leases and leases of low-value assets.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the financial year are as follows:

	Leasehold land RM'000	Retail and office premises RM'000	Motor vehicles RM'000	Furniture, fittings and other equipment RM'000	Total RM'000
At 1 January 2023	**215,739**	**1,874,150**	**184**	**3,572**	**2,093,645**
Additions	**-**	**68,793**	**-**	**-**	**68,793**
Increase arising from lease term modification	**-**	**8,108**	**-**	**-**	**8,108**
Decrease arising from sublease	**-**	**(12,339)**	**-**	**-**	**(12,339)**
Depreciation	**(8,561)**	**(337,238)**	**(102)**	**(1,317)**	**(347,218)**
Impairment loss	**-**	**(15,407)**	**-**	**-**	**(15,407)**
Exchange differences	**4,605**	**28,730**	**8**	**185**	**33,528**
At 31 December 2023	**211,783**	**1,614,797**	**90**	**2,440**	**1,829,110**

13. Leases (cont'd.)

The Group as a lessee (cont'd.)

(a) Right-of-use assets (cont'd.)

The carrying amounts of the Group's right-of-use assets and the movements during the financial year are as follows: (cont'd.)

	Leasehold land RM'000	Retail and office premises RM'000	Motor vehicles RM'000	Furniture, fittings and other equipment RM'000	Total RM'000
At 1 January 2022	232,132	2,310,604	265	4,554	2,547,555
Additions	-	122,244	-	-	122,244
Decrease arising from:					
- Lease term modification	-	(63,959)	-	-	(63,959)
- Lease termination	-	(1,220)	-	-	(1,220)
Decrease arising from sublease	-	(24,452)	-	-	(24,452)
Depreciation	(8,683)	(387,190)	(96)	(1,240)	(397,209)
Impairment loss	-	(25,057)	-	-	(25,057)
Reversal of impairment loss	-	6,630	-	-	6,630
Disposal of a subsidiary	-	(5,075)	-	-	(5,075)
Exchange differences	(7,710)	(58,375)	15	258	(65,812)
At 31 December 2022	215,739	1,874,150	184	3,572	2,093,645

Lump sum payments were made upfront to acquire the leased land with lease periods ranging from 42 to 45 years (2022: 42 to 45 years), and no ongoing payments will be made under the terms of these land leases. Leasehold land are amortised on a straight-line basis over their respective lease periods.

As at 31 December 2023, net carrying amount of leasehold land of RM205,683,000 (2022: RM209,474,000) are pledged with financial institutions for banking facilities extended to the Group as disclosed in Note 27.

13. Leases (cont'd.)

The Group as a lessee (cont'd.)

(a) Right-of-use assets (cont'd.)

During the financial year ended 31 December 2023, impairment charge of RM15,407,000 (2022: RM25,057,000) was recorded in the consolidated statement of profit or loss, considering that the relevant subsidiaries have been incurring losses and that it was not probable that profits will be available in the foreseeable future.

Impairment tests for right-of-use assets

Management has carried out impairment test review for right-of-use assets based on the recoverable amount of each CGU. The recoverable amount has been determined based on a VIU calculation using cash flow projections from financial budgets approved by directors covering a 5-year period. The pre-tax discount rates applied to the cash flow projections are as follows:

	2023	2022
	%	%
CGU		
Malaysia	**10.7**	7.8
PRC	**11.0**	10.5

Key assumptions used in VIU calculations

The calculation of VIU for the CGUs are most sensitive to the assumptions made for revenue, gross margins, operating expenses, growth rates and discount rates as disclosed in Note 11(v).

Sensitivity to changes in assumptions

With regard to the assessment of VIU of the respective CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including right-of-use assets, of the unit to materially exceed its recoverable amount.

13. Leases (cont'd.)

The Group as a lessee (cont'd.)

(b) Lease liabilities

The carrying amounts of the Group's lease liabilities and the movements during the financial year are as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
At beginning of the financial year	**2,846,672**	3,249,903
Additions arising from new leases	**68,793**	112,564
Decrease arising from:		
- Lease term modification	**(24,333)**	(78,378)
- Lease termination *	**(65,607)**	-
Rent concessions	**(1,097)**	(40,717)
Interest expense	**236,989**	275,543
Payments	**(624,459)**	(586,023)
Disposal of a subsidiary	**-**	(6,145)
Deconsolidation of subsidiaries	**(11,092)**	-
Exchange differences	**46,689**	(80,075)
At end of the financial year	**2,472,555**	2,846,672
Disclosed as:		
Current	**545,975**	516,887
Non-current	**1,926,580**	2,329,785
	2,472,555	2,846,672

* Arose from termination of lease with the landlord for the leased premises located at Saigon Tourist Plaza, Vietnam as disclosed in Note 15(a).

(c) Variable lease payments

Certain leases of the Group contain variable lease payment terms that are based on the Group's turnover or profit before tax generated by the stores. There are also minimum annual base rental arrangements for these leases. During the financial year ended 31 December 2023, variable lease payments that are recognised in the consolidated statement of profit or loss amounted to RM87,969,000 (2022: RM64,624,000).

13. Leases (cont'd.)

The Group as a lessee (cont'd.)

(d) Total cash outflows

During the financial year ended 31 December 2023, the Group had total cash outflows for leases of RM712,428,000 (2022: RM650,647,000).

(e) Extension options

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

The undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease terms are as follows:

	Group	
	2023 RM'000	**2022 RM'000**
Extension options expected not to be exercised		
Within five years	**98,442**	42,089
More than five years	**233,019**	68,709
	331,461	110,798

14. Intangible assets

Group	Goodwill RM'000	Computer software RM'000	Club memberships RM'000	Brands RM'000	Total RM'000
Cost					
At 1 January 2022	1,622,374	17,019	388	51,286	1,691,067
Reclassification to non-current assets classified as held for sale (Note 34)	(63,513)	-	-	-	(63,513)
Exchange differences	(46,940)	(420)	(4)	(1,598)	(48,962)
At 31 December 2022 and 1 January 2023	**1,511,921**	**16,599**	**384**	**49,688**	**1,578,592**
Deconsolidation of subsidiaries	**-**	**(4,309)**	**-**	**-**	**(4,309)**
Exchange differences	**28,374**	**274**	**1**	**968**	**29,617**
At 31 December 2023	**1,540,295**	**12,564**	**385**	**50,656**	**1,603,900**
Accumulated amortisation					
At 1 January 2022	-	16,619	173	13,183	29,975
Amortisation	-	48	-	-	48
Exchange differences	-	(425)	(4)	(397)	(826)
At 31 December 2022 and 1 January 2023	**-**	**16,242**	**169**	**12,786**	**29,197**
Amortisation	**-**	**6**	**-**	**-**	**6**
Deconsolidation of subsidiaries	**-**	**(3,980)**	**-**	**-**	**(3,980)**
Exchange differences	**-**	**296**	**-**	**242**	**538**
At 31 December 2023	**-**	**12,564**	**169**	**13,028**	**25,761**

14. Intangible assets (cont'd.)

Group (cont'd.)	Goodwill RM'000	Computer software RM'000	Club memberships RM'000	Brands RM'000	Total RM'000
Accumulated impairment loss					
At 1 January 2022	309,218	297	-	38,103	347,618
Impairment loss	32,500	-	-	-	32,500
Exchange differences	(9,984)	(6)	-	(1,201)	(11,191)
At 31 December 2022 and 1 January 2023	**331,734**	**291**	**-**	**36,902**	**368,927**
Impairment loss	**83,267**	**-**	**-**	**-**	**83,267**
Deconsolidation of subsidiaries	**-**	**(291)**	**-**	**-**	**(291)**
Exchange differences	**6,135**	**-**	**-**	**726**	**6,861**
At 31 December 2023	**421,136**	**-**	**-**	**37,628**	**458,764**
Net carrying amount					
At 31 December 2023	**1,119,159**	**-**	**216**	**-**	**1,119,375**
At 31 December 2022	1,180,187	66	215	-	1,180,468

Company	Club memberships 2023 RM'000	Club memberships 2022 RM'000
Cost		
At beginning/end of the financial year	**135**	135
Accumulated amortisation and impairment loss		
At beginning/end of the financial year	**107**	107
Net carrying amount		
At end of the financial year	**28**	28

14. Intangible assets (cont'd.)

Goodwill

During the financial year ended 31 December 2023, impairment charge of RM83,267,000 (2022: RM32,500,000) was recorded in the consolidated statement of profit or loss, considering that the relevant subsidiaries have been incurring losses and that it was not probable that profits will be available in the foreseeable future.

Impairment tests for goodwill

For the purpose of impairment testing, goodwill has been allocated according to country of operation and business segment as follows:

	Malaysia RM'000	PRC RM'000	Total RM'000
Retailing			
At 31 December 2023	**19,722**	**1,099,437**	**1,119,159**
At 31 December 2022	19,722	1,160,465	1,180,187

Management has carried out impairment test review for goodwill based on the recoverable amount of each CGU. The recoverable amount has been determined based on a VIU calculation using cash flow projections from financial budgets approved by directors covering a 5-year period. The pre-tax discount rates applied to the cash flow projections are as follows:

	2023 %	2022 %
CGU		
Malaysia	**10.7**	7.8
PRC	**11.0**	10.5

Key assumptions used in VIU calculations

The calculation of VIU for the CGUs are most sensitive to the assumptions made for revenue, gross margins, operating expenses, growth rates and discount rates as disclosed in Note 11(v).

Sensitivity to changes in assumptions

With regard to the assessment of VIU of the respective CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including goodwill, of the unit to materially exceed its recoverable amount.

14. Intangible assets (cont'd.)

Goodwill (cont'd.)

Apart from using VIU calculation to determine the recoverable amount of CGU, the recoverable amount of one of the subsidiary, Wuxi Sanyang Parkson Plaza Co Ltd, is estimated based on fair value less costs of disposal. The fair value less costs of disposal is determined based on the carrying amount of tangible net assets, adjusted upwards to account for the fair value of its property. The fair value of the property is estimated using the market approach and the fair value measurement is categorised as Level 3 fair value based on inputs in the valuation techniques used.

The fair value of the property is based on valuation performed by an accredited independent valuer with recent experience in the location and category of property being valued.

The key assumption made by the property valuer in determining the valuation is based on the income method considering the net rental income of the property during the existing lease term and the potential rental income that can be obtained at the current market rental level, and calculates the market value of the property based on appropriate capitalisation rate.

15. Interests in subsidiaries

	Company 2023 RM'000	Company 2022 RM'000
Unquoted shares, at cost	**#**	#
Amount due from a subsidiary (i)	**7,246,677**	7,218,859
Share option granted to employees of subsidiaries	**21,183**	23,936
	7,267,860	7,242,795
Less: Accumulated impairment loss	**(4,568,830)**	(4,571,583)
	2,699,030	2,671,212
Accumulated impairment loss:		
At beginning of the financial year	**4,571,583**	4,571,583
Written off upon deconsolidation of subsidiaries	**(2,753)**	-
At end of the financial year	**4,568,830**	4,571,583

Represent RM24 (2022: RM24)

(i) The amount due from a subsidiary is unsecured and non-interest bearing. The Company regards the non-trade amount due from the subsidiary as part of the Company's interests in subsidiaries.

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Held by the Company (Parkson Holdings Berhad)						
East Crest International Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Parkson Vietnam Investment Holdings Co Ltd **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Parkson Properties Holdings Co Ltd **	British Virgin Islands	Investment holding	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Held by the Company (Parkson Holdings Berhad) (cont'd.)						
Prime Yield Holdings Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Puncak Pelita Sdn Bhd [f]	Malaysia	Investment holding	**100**	100	**-**	-
Corporate Code Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
Subsidiaries of East Crest International Limited						
PRG Corporation Limited [f]	British Virgin Islands	Investment holding	**100**	100	**-**	-
Serbadagang Holdings Sdn Bhd [f]	Malaysia	Ceased operation	**100**	100	**-**	-
Smart Spectrum Limited **	British Virgin Islands	Ceased operation	**100**	100	**-**	-
Parkson Retail Asia Limited ("PRA") [f β]	Singapore	Investment holding	**68**	68	**32**	32
Parkson Services Pte Ltd [f]	Singapore	Intellectual property holding	**100**	100	**-**	-
Subsidiary of Parkson Vietnam Investment Holdings Co Ltd						
Parkson TSN Holdings Co Ltd **	British Virgin Islands	Investment holding	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiaries of Parkson Properties Holdings Co Ltd						
Parkson Properties NDT (Emperor) Co Ltd ** (Struck off on 1.5.2023)	British Virgin Islands	Dormant	**-**	100	**-**	-
Parkson Properties Hanoi Co Ltd **	British Virgin Islands	Dormant	**100**	100	**-**	-
Subsidiaries of Prime Yield Holdings Limited						
Dyna Puncak Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
Gema Binari Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
Parkson Credit Holdings Sdn Bhd (Dissolved on 10.3.2023)	Malaysia	Dormant	**-**	100	**-**	-
Prestasi Serimas Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
Subsidiary of PRG Corporation Limited						
Parkson Retail Group Limited ("PRGL") + @	Cayman Islands	Investment holding	**54.6** *1 **0.4**	54.6 *1 0.4	**45.0**	45.0
Subsidiary of PRGL						
Grand Parkson Retail Group Limited +	British Virgin Islands	Investment holding	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Subsidiaries of Grand Parkson Retail Group Limited						
Leonemas International Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Malverest Trading International Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Oroleon International Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Releomont (Hong Kong) Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Exonbury Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Parkson Investment Pte Ltd [f]	Singapore	Investment holding	**100**	100	**-**	-
Parkson Supplies Pte Ltd [f]	Singapore	Investment holding	**100**	100	**-**	-
Creation International Investment & Development Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Step Summit Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Global Heights Investment Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Subsidiaries of Grand Parkson Retail Group Limited (cont'd.)						
Golden Village Group Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Lung Shing International Investments & Development Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Capital Park Development Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Lion Food & Beverage Ventures Limited **	British Virgin Islands	Investment holding	**91**	91	**9**	9
Yeehaw Best Practices Sdn Bhd [f]	Malaysia	Dormant	**100**	100	**-**	-
Huge Return Investment Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Hanmen Holdings Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Victory Hope Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Great Dignity Development Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Parkson Venture Pte Ltd [f]	Singapore	Investment holding	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Subsidiaries of Grand Parkson Retail Group Limited (cont'd.)						
Wide Field International Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Sea Coral Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Subsidiary of Leonemas International Limited						
Leonemas (Hong Kong) Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Subsidiary of Leonemas (Hong Kong) Limited						
Qingdao Lion Plaza Retail Management Co Ltd +	People's Republic of China	Property management	**100**	100	**-**	-
Subsidiary of Malverest Trading International Limited						
Malverest (Hong Kong) Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Subsidiary of Malverest (Hong Kong) Limited						
Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Subsidiaries of Parkson Retail Development Co Ltd						
Zhangjiakou Parkson Shopping Mall Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiaries of Parkson Retail Development Co Ltd (cont'd.)						
Qingdao Parkson Shopping Plaza Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	**100**	100	**-**	-
Qingdao Parkson Beer City Property Management Co Ltd +	People's Republic of China	Property management	**100**	100	**-**	-
Subsidiary of Oroleon International Limited						
Oroleon (Hong Kong) Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Subsidiaries of Oroleon (Hong Kong) Limited						
Parkson Retail Laos Holdings Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
Parkson Credit Sdn Bhd	Malaysia	Provision of money lending and credit services	**100**	100	**-**	-
Subsidiary of Parkson Retail Laos Holdings Sdn Bhd						
Parkson Lao Sole Co Ltd **	Lao People's Democratic Republic	Wholesale and retail trade	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiary of Releomont (Hong Kong) Limited						
Anshan Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Subsidiaries of Exonbury Limited						
Hong Kong Fen Chai Investment Limited +	Hong Kong SAR	Provision of consultancy services	**100**	100	**-**	-
Shanghai Nine Sea Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Shanghai Lion Parkson Investment Consultant Co Ltd +	People's Republic of China	Provision of consultancy and management services	**100**	100	**-**	-
Parkson Investment Holdings Co Ltd +	People's Republic of China	Investment holding	**70** *2 **30**	70 *2 30	**-**	-
Jinan Lion Consultant Management Co Ltd +	People's Republic of China	Provision of consultancy and management services	**100**	100	**-**	-
Jiaxing Lion Retail Management Co Ltd +	People's Republic of China	Provision of consultancy and management services	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiary of Hong Kong Fen Chai Investment Limited						
Xi'an Lucky King Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**91** *3 **9**	91 *3 9	**-**	-
Subsidiaries of Xi'an Lucky King Parkson Plaza Co Ltd						
Xi'an Shidai Parkson Store Co Ltd + (Dissolved on 9.8.2023)	People's Republic of China	Operation of department stores	**-**	51 *4 49	**-**	-
Shanxi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	**100**	100	**-**	-
Subsidiaries of Shanghai Lion Parkson Investment Consultant Co Ltd						
Shanghai Shijie Fashions Co Ltd +	People's Republic of China	Sale of apparel	**100**	100	**-**	-
Shanghai Lion Parkson Management Consultant Co Ltd +	People's Republic of China	Provision of consultancy and management services	**100**	100	**-**	-
Subsidiary of Shanghai Lion Parkson Management Consultant Co Ltd						
Shanghai Shihong Supermarket Co Ltd +	People's Republic of China	Operation of gourmet supermarkets	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Subsidiaries of Parkson Investment Holdings Co Ltd						
Shanghai Xinzhuang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Lanzhou Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Zigong Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Shanghai Lion Cosmetics Co Ltd + (Dissolved on 9.6.2023)	People's Republic of China	Wholesale and retail of cosmetics and related products	**-**	100	**-**	-
Shanghai Parkson Food & Beverage Management Co Ltd +	People's Republic of China	Food and beverage management services	**100**	100	**-**	-
Shanghai Jingshi Retail Management Co Ltd +	People's Republic of China	Property management	**100**	100	**-**	-
Shaoxing Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**80.6** *5 **19.4**	*5 100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2023	**2022**	**2023**	**2022**
Subsidiary of Shanghai Xinzhuang Parkson Retail Development Co Ltd						
Hunan Changsha Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Subsidiary of Parkson Investment Pte Ltd						
Rosenblum Investments Pte Ltd [f]	Singapore	Investment holding	**100**	100	**-**	-
Subsidiaries of Parkson Supplies Pte Ltd						
Chongqing Wanyou Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Mianyang Fulin Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**60** *5 **40**	60 *5 40	**-**	-
Sichuan Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores and outlets	**100**	100	**-**	-
Subsidiary of Creation International Investment & Development Limited						
Creation (Hong Kong) Investment & Development Limited +	Hong Kong SAR	Provision of consultancy services	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiaries of Step Summit Limited						
Guizhou Shenqi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**60**	60	**40**	40
Shanghai Hongqiao Parkson Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Hefei Parkson Xiaoyao Plaza Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Guizhou Tongren Parkson Retail Co Ltd + (Dissolved on 15.1.2024)	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Subsidiaries of Shanghai Hongqiao Parkson Development Co Ltd						
Changshu Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Changzhou Shifeng Retail Development Co Ltd + (Dissolved on 20.11.2023)	People's Republic of China	Sale of apparel	**-**	100	**-**	-
Changzhou Lion Food & Beverage Co Ltd +	People's Republic of China	Food and beverage management services	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
<u>Subsidiaries of Shanghai Hongqiao Parkson Development Co Ltd</u> (cont'd.)						
Shanghai Delight Food & Beverage Management Co Ltd +	People's Republic of China	Food and beverage operation	**100**	100	**-**	-
Wenzhou Parkson Retail Development Co Ltd ^ +	People's Republic of China	Operation of department stores	**100**	-	**-**	-
<u>Subsidiary of Shanghai Delight Food & Beverage Management Co Ltd</u>						
Kunming Hogan Food & Beverage Management Co Ltd + (Dissolved on 16.2.2023)	People's Republic of China	Food and beverage operation	**-**	100	**-**	-
<u>Subsidiaries of Hefei Parkson Xiaoyao Plaza Co Ltd</u>						
Anshan Tianxing Parkson Shopping Centre Co Ltd +	People's Republic of China	Operation of department stores	**51** *6 **49**	51 *6 49	**-**	-
Qingdao Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiary of Global Heights Investment Limited						
Asia Victory International Limited **	British Virgin Islands	Domestic and cross-border trading	**100**	100	**-**	-
Subsidiary of Asia Victory International Limited						
Shunhe International Investment Limited +	Hong Kong SAR	Provision of consultancy services	**100**	100	**-**	-
Subsidiary of Shunhe International Investment Limited						
Kunming Yun Shun He Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Subsidiaries of Kunming Yun Shun He Retail Development Co Ltd						
Guizhou Zunyi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**90** *7 **10**	90 *7 10	**-**	-
Liupanshui Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Suzhou Parkson Changfa Commercial Management Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiaries of Kunming Yun Shun He Retail Development Co Ltd (cont'd.)						
Panzhihua Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Tianjin Parkson Shopping Mall Co Ltd +	People's Republic of China	Operation of department stores and property management	**60** *8 **20** *9 **20**	60 *8 20 *9 20	**-**	-
Parkson Business Commerce Sole Co Ltd **	Lao People's Democratic Republic	Operation of department stores	**100**	100	**-**	-
Subsidiaries of Golden Village Group Limited						
Duo Success Investments Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Jiangxi Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Jiangxi Parkson Shopping Centre Management Co Ltd +	People's Republic of China	Property management	**100**	100	**-**	-
Subsidiary of Duo Success Investments Limited						
Victor Crest Limited ** (Dissolved on 10.1.2023)	British Virgin Islands	Dormant	**-**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiary of Victor Crest Limited						
Wide Crest Limited ** (Dissolved on 10.1.2023)	British Virgin Islands	Dormant	**-**	100	**-**	-
Subsidiary of Wide Crest Limited						
Bond Glory Limited ** (Dissolved on 10.1.2023)	British Virgin Islands	Dormant	**-**	100	**-**	-
Subsidiaries of Jiangxi Parkson Shopping Centre Management Co Ltd						
Yichun Parkson Shopping Centre Co Ltd +	People's Republic of China	Operation of shopping malls	**100**	100	**-**	-
Nanchang Parkson Shopping Centre Co Ltd ^ +	People's Republic of China	Operation of shopping mall	**100**	-	**-**	-
Subsidiary of Lung Shing International Investments & Development Limited						
Anshan Lung Shing Property Services Co Ltd +	People's Republic of China	Property management	**100**	100	**-**	-
Subsidiary of Capital Park Development Limited						
Capital Park (HK) Investment & Development Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Subsidiary of Capital Park (HK) Investment & Development Limited						
Wuxi Sanyang Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**60**	60	**40**	40
Subsidiary of Lion Food & Beverage Ventures Limited						
Parkson Food & Beverage Ventures Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Subsidiary of Parkson Food & Beverage Ventures Limited						
Shanghai Lion Food and Beverage Management Co Ltd + (Dissolved on 15.6.2023)	People's Republic of China	Food and beverage management services	**-**	100	**-**	-
Subsidiary of Victory Hope Limited						
Nanning Brilliant Parkson Commercial Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	**70** *10 **30**	70 *10 30	**-**	-
Subsidiary of Nanning Brilliant Parkson Commercial Co Ltd						
Wuzhou Fashion Parkson Business Management Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-

15. **Interests in subsidiaries (cont'd.)**

Name	**Country of incorporation/ principal place of business**	**Principal activities**	**% of ownership interest held by the Group * 2023**	**% of ownership interest held by the Group * 2022**	**% of ownership interest held by non-controlling interests * 2023**	**% of ownership interest held by non-controlling interests * 2022**
Subsidiaries of Great Dignity Development Limited						
Shantou Parkson Commercial Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Qingdao Parkson Lion Commercial Management Co Ltd ^ +	People's Republic of China	Property management	**100**	-	**-**	-
Subsidiary of Parkson Venture Pte Ltd						
Qingdao No. 1 Parkson Co Ltd +	People's Republic of China	Operation of department stores	**95.9**	95.9	**4.1**	4.1
Subsidiary of Wide Field International Limited						
Shenyang Parkson Shopping Plaza Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Subsidiaries of PRA						
Parkson Corporation Sdn Bhd	Malaysia	Operation of department stores and related trading activities including e-commerce activities	**100**	100	**-**	-
Centro Retail Pte Ltd ƒ	Singapore	Investment holding	**100**	100	**-**	-
PT Tozy Sentosa (In Bankruptcy)	Indonesia	Ceased operation	**90** *11 **10**	90 *11 10	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiaries of PRA (cont'd.)						
Parkson Myanmar Co Pte Ltd *f*	Singapore	Investment holding	**100**	100	**-**	-
Parkson Yangon Company Limited **	Myanmar	Dormant	**95** *12 **5**	95 *12 5	**-**	-
Subsidiaries of Parkson Corporation Sdn Bhd						
Parkson Vietnam Co Ltd *f* (Note 15(a))	Vietnam	Ceased operation	**100**	100	**-**	-
Parkson Haiphong Co Ltd *f*	Vietnam	Ceased operation	**100**	100	**-**	-
Parkson Cambodia Holdings Co Ltd **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Parkson SGN Co Ltd *f*	Vietnam	Dormant	**100**	100	**-**	-
Parkson Edutainment World Sdn Bhd	Malaysia	Dormant	**100**	100	**-**	-
Parkson Lifestyle Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	**100**	100	**-**	-
Parkson Unlimited Beauty Sdn Bhd	Malaysia	Ceased operation	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Subsidiaries of Parkson Corporation Sdn Bhd (cont'd.)						
Parkson Private Label Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	**100**	100	**-**	-
Parkson Trading (Vietnam) Company Limited [f]	Vietnam	Ceased operation	**100**	100	**-**	-
Solid Gatelink Sdn Bhd	Malaysia	Operation of food and beverage businesses	**100**	100	**-**	-
Parkson Trends Sdn Bhd	Malaysia	Ceased operation	**100**	100	**-**	-
Subsidiary of Parkson Vietnam Co Ltd						
Parkson Vietnam Management Services Co Ltd [f]	Vietnam	Dormant	**100**	100	**-**	-
Subsidiary of Parkson Cambodia Holdings Co Ltd						
Parkson (Cambodia) Co Ltd **	Cambodia	Dormant	**100**	100	**-**	-
Subsidiary of Parkson Myanmar Co Pte Ltd						
Parkson Myanmar Investment Company Pte Ltd [f]	Singapore	Investment holding	**70**	70	**30**	30

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Subsidiaries of Parkson Myanmar Investment Company Pte Ltd						
Parkson Myanmar Asia Pte Ltd [f] (Dissolved on 6.4.2023)	Singapore	Dormant	**-**	100	**-**	-
Myanmar Parkson Company Limited **	Myanmar	Dormant	**100**	100	**-**	-
Subsidiary of Parkson TSN Holdings Co Ltd						
Parkson HBT Properties Co Ltd **	Vietnam	Real estate consulting and management services	**100**	100	**-**	-
Subsidiaries of Dyna Puncak Sdn Bhd						
Idaman Erajuta Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
Magna Rimbun Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
True Excel Investments Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Subsidiary of Idaman Erajuta Sdn Bhd						
Festival City Sdn Bhd	Malaysia	Operation of department stores and property management	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Subsidiary of Magna Rimbun Sdn Bhd						
Megan Mastika Sdn Bhd	Malaysia	Property management and investment holding	**100**	100	**-**	-
Subsidiary of Megan Mastika Sdn Bhd						
Dimensi Andaman Sdn Bhd [f]	Malaysia	Investment holding, property development and project management	**100**	100	**-**	-
Subsidiary of True Excel Investments Limited						
True Excel Investments (Cambodia) Co Ltd **	Cambodia	Investment holding	**100**	100	**-**	-
Subsidiary of Gema Binari Sdn Bhd						
Parkson Branding Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	**100**	100	**-**	-
Subsidiary of Prestasi Serimas Sdn Bhd						
Ombrello Resources Sdn Bhd [f]	Malaysia	Ceased operation	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

All the companies are audited by Grant Thornton Malaysia PLT except for those marked (+) which the company or group companies are audited by a member firm of Grant Thornton International in the respective countries, and those marked (ƒ) which are audited by other firms.

* Equals to the proportion of voting rights held.

** The financial statements are examined for the purpose of consolidation.

*1 Held by East Crest International Limited.

*2 Held by Parkson Investment Pte Ltd.

*3 Held by Huge Return Investment Limited.

*4 Held by Parkson Retail Development Co Ltd.

*5 Held by Shanghai Hongqiao Parkson Development Co Ltd.

*6 Held by Creation (Hong Kong) Investment & Development Limited.

*7 Held by Parkson Investment Holdings Co Ltd.

*8 Held by Xi'an Lucky King Parkson Plaza Co Ltd.

*9 Held by Nanning Brilliant Parkson Commercial Co Ltd.

*10 Held by Hanmen Holdings Limited.

*11 Held by Centro Retail Pte Ltd.

*12 Held by Parkson Myanmar Co Pte Ltd.

^ Subsidiaries which were newly incorporated during the financial year.

β Listed on the Singapore Exchange Securities Trading Limited.

@ Listed on The Stock Exchange of Hong Kong Limited.

15. Interests in subsidiaries (cont'd.)

Impairment tests for interests in subsidiaries

Management has carried out impairment test review for interests in subsidiaries based on the recoverable amount of each CGU. The recoverable amount has been determined based on a VIU calculation using cash flow projections from financial budgets approved by directors covering a 5-year period. The pre-tax discount rates applied to the cash flow projections are as follows:

	2023	2022
	%	%
CGU		
Malaysia	**10.7**	7.8
PRC	**11.0**	10.5

Key assumptions used in VIU calculations

The calculation of VIU for the CGUs are most sensitive to the assumptions made for revenue, gross margins, operating expenses, growth rates and discount rates as disclosed in Note 11(v).

Sensitivity to changes in assumptions

With regard to the assessment of VIU of the respective CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including interests in subsidiaries, of the unit to materially exceed its recoverable amount.

(a) Deconsolidation of subsidiaries

Parkson Vietnam Co Ltd ("Parkson Vietnam"), an indirect wholly-owned subsidiary of PRA which is in turn a 67.96% owned subsidiary of the Company, had on 28 April 2023 filed for voluntary bankruptcy ("Application") with the People’s Court of Ho Chi Minh City, Vietnam ("Court") on the grounds that Parkson Vietnam is insolvent and is unable to continue with the business to pay its liabilities owing to creditors.

As of the date of this report, the occurrence of events following the Application are as follows:

- On 2 June 2023, Parkson Vietnam received civil case from a landlord for amount owing of VND151 billion (equivalent to approximately RM28,575,000) in relation to the leased premises at Saigon Tourist Plaza.
- On 8 August 2023, the Court applied temporary emergency measures to freeze two bank accounts of Parkson Vietnam.
- On 6 November 2023, the Court accepted the Application.
- On 27 November 2023, the Court had temporary suspended the civil case in relation to the leased premises at Saigon Tourist Plaza.
- On 5 January 2024, the Court had temporary suspended the civil case in relation to the leased premises in Danang, Vietnam.

15. Interests in subsidiaries (cont'd.)

(a) Deconsolidation of subsidiaries (cont'd.)

The leased premises located at Saigon Tourist Plaza had been handed over to the landlord in August 2023. The corresponding sub-tenants were terminated effectively in August 2023. Arising from the handover, Parkson Vietnam had ceased its operations.

The directors of the Group believed that in so far it relates to Parkson Vietnam, the decisions regarding the daily financial and operating policies are now directed for the benefit of the creditors, and the directors of the Group are restricted from making any significant financial decisions without the approval of the Court. The pre-bankruptcy shareholders' voting interests are expected to be diluted (thereby resulting in the parent ultimately losing control) upon exiting from bankruptcy. While the Group's management may remain in place during the pre-bankruptcy proceedings, management must now seek approval from the Court to make any significant decisions.

In the opinion of the directors of the Group, the Group had lost its practical ability to affect returns through its power over Parkson Vietnam effective 8 August 2023 and consequently had ceased to consolidate Parkson Vietnam and its wholly-owned subsidiary, Parkson Vietnam Management Services Co Ltd. The results were presented under discontinued operations (Note 33) on the premise that the operating results of Parkson Vietnam represented a separate geographical area of operations reported in the Group's financial statements.

The gain on deconsolidation of subsidiaries is presented within "Discontinued Operations" as disclosed in Note 33.

The details of assets/(liabilities) derecognised arising from the deconsolidation and the effects on the Group's financial results are as follows:

	Group 2023 RM'000
Intangible assets	**38**
Receivables	**5,701**
Cash and cash equivalents	**209**
Payables	**(44,839)**
Lease liabilities	**(11,092)**
Net liabilities deconsolidated	**(49,983)**
Gain on deconsolidation of subsidiaries	**35,065**
Realisation of exchange fluctuation reserves	**14,918**
	-
Cash and cash equivalents of subsidiaries, representing net cash outflow on deconsolidation of subsidiaries	**(209)**

15. Interests in subsidiaries (cont'd.)

(b) Disposal of equity interest in a subsidiary

In the previous financial year ended 31 December 2022, Shanghai Delight Food & Beverage Management Co Ltd ("Shanghai Delight F&B"), an indirect wholly-owned subsidiary of PRGL which is in turn a 54.97% owned subsidiary of the Company, completed the disposal of its entire equity interest in Shanghai Delight Food Co Ltd ("Shanghai Delight Food") for a consideration of Rmb2,400,000 (equivalent to approximately RM1,591,000) ("Disposal of Shanghai Delight Food").

Following the completion of the Disposal of Shanghai Delight Food, Shanghai Delight Food ceased to be a subsidiary of Shanghai Delight F&B and of the Company.

The disposal had the following effects on the Group's financial results and position for the financial year ended 31 December 2022:

	Group 2022 RM'000
Property, plant and equipment	903
Right-of-use assets	5,075
Deferred tax assets	267
Receivables	600
Cash and cash equivalents	22
Lease liabilities	(6,145)
Net assets disposed	722
Disposal consideration	1,591
Net assets disposed	(722)
Gain on disposal of a subsidiary	869
Disposal consideration	1,591
Cash and cash equivalents of subsidiary disposed	(22)
Consideration received in the financial period ended 31 December 2021	(1,485)
Net cash inflow of the Group	84

15. Interests in subsidiaries (cont'd.)

(c) Material non-controlling interests

Financial information of subsidiaries which have non-controlling interests that are material to the Group is set out below.

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2023 %	2022 %
PRA	Singapore	**32.0**	32.0
PRGL	Cayman Islands	**45.0**	45.0

PRA and PRGL are investment holding companies that have subsidiaries that are in the retailing business in Southeast Asia and the PRC respectively.

	Group	
	2023 RM'000	2022 RM'000 (Restated)
Accumulated net assets/(liabilities) balances of non-controlling interests:		
PRA	**11,655**	(18,091)
PRGL	**970,516**	949,690
Total	**982,171**	931,599
Profit/(loss) allocated to non-controlling interests:		
PRA	**27,385**	29,340
PRGL	**20,729**	(111,918)
Total	**48,114**	(82,578)

15. Interests in subsidiaries (cont'd.)

(c) Material non-controlling interests (cont'd.)

Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group is set out below. The summarised financial information below is the amount before inter-company elimination.

	PRA		PRGL	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000 (Restated)**
(i) Summarised statements of financial position				
Non-current assets	**549,706**	690,971	**5,219,145**	5,427,967
Current assets	**477,417**	472,346	**1,960,049**	1,904,264
Non-current liabilities	**(421,130)**	(552,293)	**(3,175,935)**	(3,424,914)
Current liabilities	**(568,944)**	(666,788)	**(1,835,238)**	(1,780,350)
Non-controlling interests	**317**	331	**(46,630)**	(43,555)
Total equity	**37,366**	(55,433)	**2,121,391**	2,083,412
Attributable to non-controlling interests	**11,655**	(18,091)	**970,516**	949,690
(ii) Summarised statements of profit or loss				
Revenue	**756,279**	745,112	**2,344,345**	2,152,987
Profit/(loss) for the financial year	**85,546**	91,665	**38,749**	(254,827)
Attributable to non-controlling interests	**27,385**	29,340	**20,729**	(111,918)
Dividends paid to non-controlling interests	**-**	-	**(8,129)**	(1,357)

15. Interests in subsidiaries (cont'd.)

(c) Material non-controlling interests (cont'd.)

Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group is set out below. The summarised financial information below is the amount before inter-company elimination. (cont'd.)

	PRA		PRGL	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000 (Restated)**
(iii) Summarised statements of other comprehensive income				
Other comprehensive income/(loss) attributable to non-controlling interests:				
- Change in fair value of financial assets	**13**	12	**-**	-
- Foreign currency translation	**2,349**	992	**8,225**	(92,748)
(iv) Summarised statements of cash flows				
Operating activities	**185,236**	326,583	**655,750**	86,049
Investing activities	**10,080**	10,739	**151,586**	493,692
Financing activities	**(192,935)**	(205,052)	**(662,340)**	(235,077)
Net increase in cash and cash equivalents	**2,381**	132,270	**144,996**	344,664

16. Investments in associates

	Group 2023 RM'000	Group 2022 RM'000
Unquoted shares in Malaysia, at cost	**10,987**	10,987
Unquoted shares outside Malaysia, at cost	**24,412**	24,412
Share of post-acquisition profits and other comprehensive income, net of dividends received	**8,986**	2,888
Less: Accumulated impairment loss	**(10,987)**	(10,987)
	33,398	27,300
Accumulated impairment loss:		
At beginning/end of the financial year	**10,987**	10,987

Details of associates are as follows:

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022
Shanghai Nine Sea Lion Properties Management Co Ltd ("Shanghai Nine Sea") &	People's Republic of China	Property management and real estates services	**35**	35
Parkson Hanoi Co Ltd &	Vietnam	Dormant	**42**	42
Parkson Newcore Retail Shanghai Ltd ("Parkson Newcore") #	People's Republic of China	Operation of outlet stores	**49**	49
Habitat Blue Sdn Bhd &	Malaysia	Ceased operation	**40**	40

16. Investments in associates (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022
AUM Hospitality Sdn Bhd (Under court liquidation)	Malaysia	Investment holding and provision of management services	**20**	20

* Equals to the proportion of voting rights held.

\# Audited by a member firm of Grant Thornton International.

& Audited by a firm other than Grant Thornton Malaysia PLT.

All the investments in associates are accounted for using the equity method.

Impairment loss on an associate is recognised to reduce the carrying value of the investment to the estimated recoverable amount.

16. Investments in associates (cont'd.)

Summarised financial information of the Group's material associates and Group's share of results of associates, are set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

	Parkson Newcore RM'000	Shanghai Nine Sea RM'000	Total material associates RM'000
2023			
(i) Summarised statements of financial position			
Non-current assets	**187,656**	**20**	**187,676**
Current assets	**128,201**	**8,084**	**136,285**
Total assets	**315,857**	**8,104**	**323,961**
Non-current liabilities	**111,598**	**-**	**111,598**
Current liabilities	**139,435**	**3,436**	**142,871**
Total liabilities	**251,033**	**3,436**	**254,469**
Net assets	**64,824**	**4,668**	**69,492**
(ii) Summarised statements of profit or loss			
Revenue	**565,756**	**20,520**	**586,276**
Profit for the financial year	**16,472**	**397**	**16,869**
(iii) Dividend received from associates	**(2,677)**	**(57)**	**(2,734)**
(iv) Group's share of net assets, representing carrying amount of Group's interest in associates	**31,764**	**1,634**	**33,398**
(v) Group's share of results of associates	**8,071**	**139**	**8,210**

16. Investments in associates (cont'd.)

Summarised financial information of the Group's material associates and Group's share of results of associates, are set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts. (cont'd.)

	Parkson Newcore RM'000	Shanghai Nine Sea RM'000	Total material associates RM'000
2022			
(i) Summarised statements of financial position			
Non-current assets	166,737	30	166,767
Current assets	138,330	8,747	147,077
Total assets	305,067	8,777	313,844
Non-current liabilities	147,033	-	147,033
Current liabilities	105,419	4,439	109,858
Total liabilities	252,452	4,439	256,891
Net assets	52,615	4,338	56,953
(ii) Summarised statements of profit or loss			
Revenue	427,722	18,580	446,302
(Loss)/profit for the financial year	(2,178)	188	(1,990)
(iii) Dividend received from associates	(3,936)	(85)	(4,021)
(iv) Group's share of net assets, representing carrying amount of Group's interest in associates	25,782	1,518	27,300
(v) Group's share of results of associates	(1,067)	66	(1,001)

16. Investments in associates (cont'd.)

The summarised aggregate financial information of the Group's other individually non-material associates is set out below:

	Group 2023 RM'000	Group 2022 RM'000
Loss for the financial year	**-**	(2,027)
Group's share of current years' unrecognised loss	**-**	(811)
Group's cumulative share of unrecognised loss	**(2,374)**	(5,054)

The Group has not recognised loss arising from these other individually non-material associates when its share of losses exceeds the Group's interest in the associates.

17. Investments in joint ventures

	Group 2023 RM'000	Group 2022 RM'000
Unquoted shares in Malaysia, at cost	**	3,000
Unquoted shares outside Malaysia, at cost	**-**	4,675
Share of post-acquisition profits and other comprehensive income, net of dividends received	**-**	2,272
Less: Accumulated impairment loss	**-**	(1,750)
	**	8,197
Accumulated impairment loss:		
At beginning of the financial year	**1,750**	7,741
Written off	**(1,750)**	-
Reclassification to non-current assets classified as held for sale	**-**	(5,991)
At end of the financial year	**-**	1,750

** Represent RM3

17. Investments in joint ventures (cont'd.)

Details of joint ventures are as follows:

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022
Xinjiang Youhao Parkson Development Co Ltd ("Xinjiang Youhao") ^ (Dissolved on 31.8.2023)	People's Republic of China	Operation of department stores	**-**	51
Marlow House Asia Limited &	British Virgin Islands	Investment holding	**50**	50
Valino International Apparel Sdn Bhd (Dissolved on 26.4.2023)	Malaysia	Ceased operation	**-**	50
Watatime group of companies (i) & :				
Watatime Marketing Sdn Bhd	Malaysia	Wholesaling of watches	**50**	50
J. Bovier Time (M) Sdn Bhd	Malaysia	Retailing of watches	**50**	50
Watatime (Subang) Sdn Bhd	Malaysia	Retailing of watches	**50**	50
Watatime (M) Sdn Bhd	Malaysia	Retailing of watches	**50**	50
Watatime Group Sdn Bhd	Malaysia	Dormant	**50**	50
The Timepiece Repair Specialist Sdn Bhd	Malaysia	Retailing of watches	**50**	50
Wata Time (S) Pte Ltd	Singapore	Dormant	**50**	50

17. Investments in joint ventures (cont'd.)

* The Group has voting rights of all its joint ventures under the contractual arrangements, unanimous consent is required from all parties to the agreements for all relevant activities.

^ Although the Group has ownership indirectly through subsidiary of more than half of the voting power of the subject entity, the joint venture agreement established joint control over the subject entity. The joint venture agreement ensures that no single venturer is in a position to control the activities of the entity unilaterally. The entity forms part of the PRGL group of companies, which is audited by a member firm of Grant Thornton International.

& Audited by a firm other than Grant Thornton Malaysia PLT.

(i) On 21 July 2022, Corporate Code Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement to dispose of its entire equity interests in the Watatime group of companies for a total consideration of approximately RM9 ("Watatime Disposal"). The completion of the Watatime Disposal shall be subject to and conditional upon the conditions precedent being fulfilled.

The Group's investments in the Watatime group of companies were reclassified as non-current assets classified as held for sale as at 31 December 2023 and 31 December 2022 as disclosed in Note 34(iii).

All the investments in joint ventures are accounted for using the equity method.

Impairment loss on a joint venture is recognised to reduce the carrying value of the investment to the estimated recoverable amount.

All the joint ventures have the same reporting period as the Group except for Watatime group of companies which is 30 June. For the purpose of applying the equity method of accounting for joint ventures, the last audited financial statements available and the management financial statements as at end of the accounting period of the joint ventures were used.

There are no material contingent liability and capital commitment relating to joint ventures as at 31 December 2023 and 31 December 2022.

17. Investments in joint ventures (cont'd.)

Summarised financial information of the Group's material joint venture, Xinjiang Youhao, and Group's share of results of the joint venture, are set out below. The summarised financial information represents the amounts in the financial statements of the joint venture and not the Group's share of those amounts.

	Group 2023 RM'000	Group 2022 RM'000
(i) Summarised statements of financial position		
Non-current assets	-	3,133
Current assets	-	34,631
Total assets	-	37,764
Non-current liabilities	-	1,024
Current liabilities	-	20,667
Total liabilities	-	21,691
Net assets	-	16,073
(ii) Summarised statements of profit or loss		
Revenue	-	367
Profit/(loss) for the financial year	**14,059**	(2,204)
(iii) Dividend received from joint venture	**(15,573)**	-
(iv) Group's share of net assets, representing carrying amount of Group's interest in joint venture	-	8,197
(v) Group's share of results of joint venture	**7,170**	(1,124)

The summarised aggregate financial information of the Group's other individually non-material joint ventures is set out below:

	Group 2023 RM'000	Group 2022 RM'000
Loss for the financial year	**(9)**	(9)

The Group has not recognised loss arising from these other individually non-material joint ventures when its share of losses exceeds the Group's interest in the joint ventures.

18. Deferred tax assets/(liabilities)

	Group 2023 RM'000	2022 RM'000 (Restated)
At beginning of the financial year	**11,363**	(38,056)
Recognised in profit or loss (Note 9)	**26,935**	52,985
Disposal of a subsidiary	**-**	(267)
Exchange differences	**(376)**	(3,299)
At end of the financial year	**37,922**	11,363
Presented after appropriate offsetting as follows:		
Deferred tax assets	**184,537**	187,266
Deferred tax liabilities	**(146,615)**	(175,903)
	37,922	11,363

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Unabsorbed capital allowances RM'000	Unused tax losses RM'000	Right-of-use assets and lease liabilities RM'000	Others RM'000	Total RM'000
At 1 January 2023	**2,978**	**54,743**	**126,124**	**3,421**	**187,266**
Recognised in profit or loss	**(194)**	**(14,550)**	**6,190**	**2,149**	**(6,405)**
Exchange differences	**7**	**1,117**	**2,469**	**83**	**3,676**
At 31 December 2023	**2,791**	**41,310**	**134,783**	**5,653**	**184,537**
At 1 January 2022 (Restated)	3,136	40,535	124,140	3,797	171,608
Recognised in profit or loss	(152)	16,097	8,381	(252)	24,074
Disposal of a subsidiary	-	-	(267)	-	(267)
Exchange differences	(6)	(1,889)	(6,130)	(124)	(8,149)
At 31 December 2022 (Restated)	2,978	54,743	126,124	3,421	187,266

18. Deferred tax assets/(liabilities) (cont'd.)

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Asset revaluation RM'000	Right-of-use assets RM'000	Withholding taxes RM'000	Total RM'000
At 1 January 2023	**(1,278)**	**(117,326)**	**(49,754)**	**(7,545)**	**(175,903)**
Recognised in profit or loss	**1,289**	**15,040**	**16,297**	**714**	**33,340**
Exchange differences	**(22)**	**(2,855)**	**(1,002)**	**(173)**	**(4,052)**
At 31 December 2023	**(11)**	**(105,141)**	**(34,459)**	**(7,004)**	**(146,615)**
At 1 January 2022 (Restated)	(2,957)	(125,661)	(73,140)	(7,906)	(209,664)
Recognised in profit or loss	1,628	3,336	23,386	561	28,911
Exchange differences	51	4,999	-	(200)	4,850
At 31 December 2022 (Restated)	(1,278)	(117,326)	(49,754)	(7,545)	(175,903)

Deferred tax assets have not been recognised in respect of the following items:

	Group 2023 RM'000	Group 2022 RM'000
Unused tax losses	**929,093**	950,580
Unabsorbed capital allowances	**24,935**	28,411
Other temporary differences	**20,602**	28,962
	974,630	1,007,953
Deferred tax at respective jurisdiction's applicable tax rate, if recognised	**241,064**	248,995

The availability of unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the subsidiaries is subject to approval from the tax authority of the country in which the losses originate.

18. Deferred tax assets/(liabilities) (cont'd.)

Deferred tax assets have not been recognised in respect of the unused tax losses and unabsorbed capital allowances as it is not probable that taxable profit will be available against which the unused tax losses and unabsorbed capital allowances can be utilised, considering that the relevant subsidiaries have been incurring losses and there are no other tax planning opportunities or other evidence of recoverability in the near future.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate of 5% may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

Effective from year of assessment 2019, the unused tax losses of Malaysian entities as at 31 December 2018 and thereafter will only be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unabsorbed losses will be disregarded.

19. Amounts due from subsidiaries

	Company	
	2023	**2022**
	RM'000	**RM'000**
Non-current		
Amounts due from subsidiaries	**2,911**	32,562
Less: Allowance for expected credit loss ("ECL")	**(2,890)**	(32,544)
	21	18
Current		
Amounts due from subsidiaries	**5,041**	5,227
Less: Allowance for ECL	**(1,538)**	(1,538)
	3,503	3,689
Total amounts due from subsidiaries	**3,524**	3,707

19. Amounts due from subsidiaries (cont'd.)

	Company	
	2023	2022
	RM'000	RM'000
Movement in allowance for ECL:		
At beginning of the financial year	**34,082**	52,207
Charge for the financial year	**-**	97
Reversal during the financial year	**(29,654)**	(18,127)
Written off during the financial year	**-**	(95)
At end of the financial year	**4,428**	34,082

The non-current portion of the amounts due from subsidiaries represents the amount which the Company does not intend to demand repayment within 12 months from the reporting date. The current portion of the amounts due from subsidiaries is unsecured, non-interest bearing and repayable on demand.

As at 31 December 2022, an amount of RM32,240,000 bore interest at 3% per annum. The subsidiary had fully repaid the outstanding amount during the financial year ended 31 December 2023.

20. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current				
Trade receivables (i)				
Third parties	**258,209**	161,158	**-**	-
Less: Allowance for ECL	**(5,109)**	(3,370)	**-**	-
Trade receivables, net	**253,100**	157,788	**-**	-

20. Trade and other receivables (cont'd.)

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Current				
Trade receivables (i)				
Third parties	**215,307**	162,255	**-**	-
Less: Allowance for ECL	**(6,325)**	(3,930)	**-**	-
Trade receivables, net	**208,982**	158,325	**-**	-
Other receivables				
Sundry receivables (ii)	**203,469**	162,942	**2**	2
Less: Allowance for ECL	**(20,325)**	(33,025)	**-**	-
	183,144	129,917	**2**	2
Prepayments	**31,948**	41,879	**-**	-
Less: Allowance for ECL	**(12,716)**	(12,449)	**-**	-
	19,232	29,430	**-**	-
Deposits (iii)	**88,295**	119,903	**12**	12
Less: Allowance for ECL	**(21,520)**	(52,635)	**-**	-
	66,775	67,268	**12**	12
Amounts due from associates and joint ventures (iv)	**7,810**	27,567	**-**	-
Less: Allowance for ECL	**(7,810)**	(27,567)	**-**	-
	-	-	**-**	-
Amounts due from related parties (v)	**221**	446	**113**	113
Less: Allowance for ECL	**(113)**	-	**(113)**	-
	108	446	**-**	113
Lease prepayments	**53,727**	28,360	**-**	-
Lease receivables from subleases (Note 21)	**67,094**	66,339	**-**	-
Other receivables, net	**390,080**	321,760	**14**	127
Total current trade and other receivables	**599,062**	480,085	**14**	127

20. Trade and other receivables (cont'd.)

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade and other receivables (as above)				
- non-current	**253,100**	157,788	**-**	-
- current	**599,062**	480,085	**14**	127
Total trade and other receivables	**852,162**	637,873	**14**	127
Add: Deposits, cash and bank balances (Note 23)	**1,494,844**	1,306,069	**952**	3,461
Add: Lease deposits and other deposits	**151,462**	155,701	**-**	-
Add: Long term lease receivables from subleases (Note 21)	**91,062**	217,330	**-**	-
Add: Amounts due from subsidiaries (Note 19)	**-**	-	**3,524**	3,707
Less: Prepayments	**(19,232)**	(29,430)	**-**	-
Less: Lease prepayments	**(53,727)**	(28,360)	**-**	-
Total financial assets carried at amortised cost	**2,516,571**	2,259,183	**4,490**	7,295

(i) Trade receivables

Included in trade receivables are loan receivables from credit services segment of RM383,036,000 (2022: RM256,312,000).

(ii) Sundry receivables

Sundry receivables comprise the following:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Advances to suppliers	**16,864**	12,110	**-**	-
Operating lease receivables	**108,796**	59,482	**-**	-
Accrued interest on deposits	**3,267**	1,110	**-**	-
Others	**74,542**	90,240	**2**	2
	203,469	162,942	**2**	2

Sundry receivables are non-interest bearing with average credit terms ranging from 1 to 90 days (2022: 1 to 90 days).

20. Trade and other receivables (cont'd.)

(iii) Deposits

Included in deposits as at 31 December 2022 were amounts of RM31,990,000 paid by Parkson Vietnam Co Ltd ("Parkson Vietnam") to the individual owners of two Vietnamese companies as well as to one of these Vietnamese companies for the purpose of acquiring the share capital of these two Vietnamese companies. These deposits were non-interest bearing and were secured by collateral over the charter capital of the respective companies and assets created with such amounts provided and had been fully impaired in the previous financial years. These amounts were derecognised upon the deconsolidation of Parkson Vietnam during the financial year ended 31 December 2023.

(iv) Amounts due from associates and joint ventures

Included in amounts due from associates and joint ventures as at 31 December 2023 are loans and related interest receivables due from a joint venture, Watatime (M) Sdn Bhd, of RM2,000,000 (2022: RM3,000,000) which certain principal amounts bear interest of 7% per annum.

The amounts as at 31 December 2022 included an amount due from an associate, Parkson Hanoi Co Ltd, of RM19,267,000 which was unsecured, non-interest bearing and repayable upon demand. The amount was derecognised upon the deconsolidation of Parkson Vietnam during the financial year ended 31 December 2023.

(v) Amounts due from related parties

The amounts due from related parties are unsecured, interest free and repayable upon demand.

The relationship of the related parties with the Group and the Company are further disclosed in Note 35.

20. Trade and other receivables (cont'd.)

Trade receivables

Trade receivables consist of mainly financing receivables relating to the Group's provision of financing facilities based on Islamic principles. Other trade receivables have credit terms ranging from payment in advance to 30 days (2022: payment in advance to 30 days).

Other information on financial risks of trade and other receivables are disclosed in Note 39.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Within 1 year	**208,982**	158,325
1 to 2 years	**111,569**	81,042
Over 2 years	**141,531**	76,746
	462,082	316,113

20. Trade and other receivables (cont'd.)

Trade receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

Receivables that are past due but not impaired are unsecured in nature. Management is confident that these receivables are recoverable as these accounts are still active.

Trade receivables that are impaired

The Group uses general approach in performing impairment analysis for loan receivables at each reporting date. Under the general approach, impairment analysis is performed based on 3 stages to measure ECLs. The Group, on the other hand, applies a simplified approach in calculating ECLs for other trade receivables.

Set out below is the information about the credit risk exposure on the Group's trade receivables as at 31 December 2023 and 31 December 2022:

	← Credit services		→	Others	
	12-month ECLs	← Lifetime ECLs	→	Simplified	
	Stage 1	Stage 2	Stage 3	approach	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	382	1,316	4,300	1,999	7,997
Charge for the financial year	-	-	4,835	230	5,065
Reversal of impairment loss	(187)	(73)	-	(118)	(378)
Written off	-	-	(4,751)	(315)	(5,066)
Exchange differences	(7)	(43)	(297)	29	(318)
At 31 December 2022 and 1 January 2023	**188**	**1,200**	**4,087**	**1,825**	**7,300**
Charge for the financial year	**106**	**1,158**	**11,777**	**378**	**13,419**
Reversal of impairment loss	**-**	**-**	**-**	**(17)**	**(17)**
Written off	**-**	**(3)**	**(8,173)**	**(512)**	**(8,688)**
Deconsolidation of subsidiaries	**-**	**-**	**-**	**(818)**	**(818)**
Exchange differences	**4**	**31**	**137**	**66**	**238**
At 31 December 2023	**298**	**2,386**	**7,828**	**922**	**11,434**

20. Trade and other receivables (cont'd.)

Other receivables that are impaired

The other receivables that are impaired at the reporting date are principally on delinquent accounts and the movement of allowance for ECL used to record the impairment losses are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Sundry receivables - nominal amounts	**20,325**	33,025
Less: Allowance for ECL	**(20,325)**	(33,025)
	-	-
Prepayments - nominal amounts	**12,716**	12,449
Less: Allowance for ECL	**(12,716)**	(12,449)
	-	-
Deposits - nominal amounts	**21,520**	52,635
Less: Allowance for ECL	**(21,520)**	(52,635)
	-	-
Amounts due from associates and joint ventures - nominal amounts	**7,810**	27,567
Less: Allowance for ECL	**(7,810)**	(27,567)
	-	-
Amounts due from related parties - nominal amounts	**113**	-
Less: Allowance for ECL	**(113)**	-
	-	-

	Company	
	2023	2022
	RM'000	RM'000
Amounts due from related parties - nominal amounts	**113**	-
Less: Allowance for ECL	**(113)**	-
	-	-

20. Trade and other receivables (cont'd.)

Movement in allowance for ECL:

Group	Trade receivables RM'000	Sundry receivables RM'000	Prepayments RM'000	Deposits RM'000	Amounts due from associates and joint ventures RM'000	Amounts due from related parties RM'000	Total RM'000
At 1 January 2022	7,997	31,234	12,892	50,779	36,119	-	139,021
Charge for the financial year	5,065	1,328	-	-	-	-	6,393
Reversal of impairment loss	(378)	(466)	-	-	(2,000)	-	(2,844)
Written off	(5,066)	-	-	-	(7,793)	-	(12,859)
Exchange differences	(318)	929	(443)	1,856	1,241	-	3,265
At 31 December 2022 and 1 January 2023	**7,300**	**33,025**	**12,449**	**52,635**	**27,567**	**-**	**132,976**
Charge for the financial year	**13,419**	**5,898**	**-**	**8,118**	**510**	**113**	**28,058**
Reversal of impairment loss	**(17)**	**-**	**-**	**-**	**(1,000)**	**-**	**(1,017)**
Written off	**(8,688)**	**-**	**-**	**-**	**-**	**-**	**(8,688)**
Deconsolidation of subsidiaries	**(818)**	**(19,435)**	**-**	**(41,905)**	**(19,557)**	**-**	**(81,715)**
Exchange differences	**238**	**837**	**267**	**2,672**	**290**	**-**	**4,304**
At 31 December 2023	**11,434**	**20,325**	**12,716**	**21,520**	**7,810**	**113**	**73,918**

21. Other receivables

	Group	
	2023	**2022**
	RM'000	**RM'000**
Non-current		
Lease and other prepayments [(i)]	**80**	35,090
Lease deposits	**83,063**	90,279
Lease receivables from subleases [(ii)]	**91,062**	217,330
Other deposit [(iii)]	**68,399**	65,422
	242,604	408,121
Less: Allowance for ECL	**(14,748)**	(14,323)
	227,856	393,798

Movement in allowance for ECL:

At beginning of the financial year	**14,323**	7,564
Charge for the financial year	**-**	6,599
Exchange differences	**425**	160
At end of the financial year	**14,748**	14,323

(i) This represents mainly the long term portion of the prepaid lease rental paid to lessors.

(ii) This represents lease income receivables by the Group as intermediate lessor. The carrying amount and the movement of lease receivables from subleases are as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
At beginning of the financial year	**283,669**	304,511
Addition arising from new leases	**22,642**	26,563
Accretion of interest recognised during the financial year	**19,219**	25,474
Decrease arising from lease term modification	**(3,099)**	(4,884)
Proceeds from subleases	**(82,757)**	(63,788)
Loss on termination of subleases (Note 33)	**(97,046)**	-
Exchange differences	**15,528**	(4,207)
At end of the financial year	**158,156**	283,669
Disclosed as:		
Current (Note 20)	**67,094**	66,339
Non-current	**91,062**	217,330
	158,156	283,669

(iii) Other deposit represents an amount of US$14,884,000 (2022: US$14,884,000) paid for the proposed lease and acquisition of a retail mall in Cambodia.

22. Investment securities

	Group 2023 RM'000	Group 2022 RM'000
Non-current		
Financial assets at fair value through other comprehensive income ("FVOCI"):		
- Unquoted equity securities (i)	**1,568**	17,504
Current		
Financial assets at fair value through profit or loss ("FVPL"):		
- Wealth management products (ii)	**37,159**	68,477
Total investment securities	**38,727**	85,981

(i) This amount included investments in Lion Insurance Company Limited and Lion Group Management Services Sdn Bhd, related parties of the Group.

(ii) The wealth management products are managed by licensed financial institutions in the PRC to invest principally in certain financial assets including bonds, trusts, cash funds, bond funds or unlisted equity investment issued and are circulated in the PRC in accordance with the related entrusted agreements. The wealth management products are measured at fair value, which are disclosed in Note 38(a).

23. Deposits, cash and bank balances

	Group 2023 RM'000	Group 2022 RM'000
Non-current		
Time deposits, representing total non-current deposits, cash and bank balances	**17,567**	15,869

23. Deposits, cash and bank balances (cont'd.)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current				
Deposits, cash and bank balances:				
Cash on hand and at banks				
- Malaysia	**44,847**	22,129	**822**	1,371
- Foreign	**781,637**	747,111	**130**	90
Restricted - Foreign	**64,703**	-	**-**	-
Deposits with:				
Licensed banks				
- Malaysia	**154,070**	127,982	**-**	2,000
- Foreign	**272,020**	212,978	**-**	-
Licensed finance companies in Malaysia	**160,000**	180,000	**-**	-
Total current deposits, cash and bank balances	**1,477,277**	1,290,200	**952**	3,461
Deposits, cash and bank balances (as above)				
- non-current	**17,567**	15,869	**-**	-
- current	**1,477,277**	1,290,200	**952**	3,461
Total deposits, cash and bank balances	**1,494,844**	1,306,069	**952**	3,461
Less:				
Time deposits with original maturity of more than three months when acquired	**(10,761)**	(1,652)	**-**	-
Pledged deposits	**(51,101)**	(51,255)	**-**	-
Bank overdrafts (Note 27)	**(731)**	(1,445)	**-**	-
Restricted bank balance	**-**	(449)	**-**	-
Cash and cash equivalents	**1,432,251**	1,251,268	**952**	3,461

As at 31 December 2023, deposits with licensed banks and time deposits of the Group amounting to a total of RM33,599,000 (2022: RM31,046,000) are pledged with financial institutions for banking facilities extended to the Group as disclosed in Note 27. In addition, the Group has pledged deposits of RM17,502,000 (2022: RM20,209,000) held in designated bank accounts for performance guarantees. Restricted bank balance of RM449,000 as at 31 December 2022 was excluded from cash and cash equivalents, representing the bank account being frozen arose from a legal suit against a subsidiary in Vietnam.

23. Deposits, cash and bank balances (cont'd.)

The deposits, cash and bank balances of the subsidiaries in the PRC which amounted to RM1,015,067,000 (2022: RM911,058,000) at the reporting date were denominated in Rmb which is not freely convertible in the international market. The remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

The average effective interest rates of deposits of the Group at the reporting date are as follows:

	Group	
	2023	**2022**
	%	**%**
Licensed banks	**3.6**	2.7
Licensed finance companies	**3.6**	3.3

Deposits of the Group have varying periods of between 1 day and 36 months (2022: 1 day and 36 months). Bank balances are deposits held at call with licensed banks.

24. Inventories

	Group	
	2023	**2022**
	RM'000	**RM'000**
At costs:		
Merchandise inventories	**355,115**	384,432
Consumables	**2,227**	2,399
Total	**357,342**	386,831

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM1,433,414,000 (2022: RM1,442,522,000).

The amount of inventories written down of RM190,000 (2022: RM656,000) was recognised in profit or loss during the financial year.

25. Share capital

Group/Company	Number of ordinary shares 2023 '000	Number of ordinary shares 2022 '000	Amount 2023 RM'000	Amount 2022 RM'000
Issued share capital:				
At beginning of the financial year	**1,148,902**	1,118,902	**2,160,580**	2,155,630
Issue of share capital	**-**	30,000	**-**	4,950
At end of the financial year	**1,148,902**	1,148,902	**2,160,580**	2,160,580

In the previous financial year ended 31 December 2022, the Company had, pursuant to the second tranche of the private placement, issued and allotted 30,000,000 new ordinary shares in the Company at RM0.165 per share for cash resulting in an increase in the issued share capital of the Company by RM4,950,000 from RM2,155,629,753 to RM2,160,579,753.

The new ordinary shares issued in the previous financial year ranked *pari passu* in all respects with the then existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

26. Other reserves

Group	Exchange fluctuation reserves RM'000	Asset revaluation reserve RM'000 (a)	Capital reserves RM'000 (b)	Merger deficit RM'000 (c)	Premium on acquisition of non-controlling interests RM'000	Fair value reserve of financial assets at FVOCI RM'000	Total RM'000
At 1 January 2023	**364,919**	**87,375**	**108,960**	**(2,071,102)**	**(3,843)**	**1,377**	**(1,512,314)**
Other comprehensive income/ (loss) for the financial year							
Foreign currency translation	20,187	3,419	3,952	-	-	40	27,598
Change in fair value of financial assets at fair value through other comprehensive income ("FVOCI")	-	-	-	-	-	(936)	(936)
Less: Non-controlling interests	(7,254)	(1,540)	(1,780)	-	-	(13)	(10,587)
	12,933	1,879	2,172	-	-	(909)	16,075
Transactions with owners							
Transfer from capital reserves, representing total transactions with owners	-	-	(3,473)	-	-	-	(3,473)
At 31 December 2023	**377,852**	**89,254**	**107,659**	**(2,071,102)**	**(3,843)**	**468**	**(1,499,712)**

26. Other reserves (cont'd.)

Group	Exchange fluctuation reserves RM'000	Asset revaluation reserve RM'000 (a)	Capital reserves RM'000 (b)	Merger deficit RM'000 (c)	Premium on acquisition of non-controlling interests RM'000	Fair value reserve of financial assets at FVOCI RM'000	Total RM'000
At 1 January 2022	459,949	90,484	114,213	(2,071,102)	(3,843)	1,177	(1,409,122)
Other comprehensive income/ (loss) for the financial year							
Foreign currency translation	(181,270)	(5,656)	(6,593)	-	-	37	(193,482)
Change in fair value of financial assets at FVOCI	-	-	-	-	-	175	175
Less: Non-controlling interests	86,240	2,547	2,969	-	-	(12)	91,744
	(95,030)	(3,109)	(3,624)	-	-	200	(101,563)
Transactions with owners							
Transfer from capital reserves, representing total transactions with owners	-	-	(1,629)	-	-	-	(1,629)
At 31 December 2022	364,919	87,375	108,960	(2,071,102)	(3,843)	1,377	(1,512,314)

26. Other reserves (cont'd.)

Company	Capital redemption reserve 2023 RM'000	2022 RM'000
At beginning/end of the financial year	**2,905,831**	2,905,831

(a) Asset revaluation reserve

The asset revaluation reserve represents the fair value adjustments to the property, plant and equipment, investment properties and land use rights of Parkson Retail Development Co Ltd ("PRD") prior to the Group acquiring the remaining 44% equity interest in PRD in 2006.

(b) Capital reserves

The capital reserves are maintained by the Group's subsidiaries in the PRC in accordance with the regulations in that country and are not available for payment of dividend.

(c) Merger deficit

On 19 September 2007, the Group completed the acquisition of several companies in the retail business. The acquisition was satisfied by way of issuance of 3,799,730,000 new ordinary shares of the Company at an issue price of RM1.00 per share and RM500,000,000 nominal value 3-year 3.5% redeemable convertible secured loan stocks ("RCSLS") at 100% of its nominal value of RM1.00 each.

The difference between the fair value of the RCSLS of and shares in the Company issued as consideration and the nominal value of the shares acquired has been classified as merger deficit. The merger deficit was subsequently partially set off against capital redemption reserve of RM2,905,831,000 pursuant to a court approval dated 24 September 2007 granted to the Company. The RCSLS was fully converted in August 2010.

At each reporting date, the merger deficit will be reduced by transferring the Group's retained profits for the immediate preceding financial year after adjusting for proposed/declared dividend as at that date.

27. Loans and borrowings

	Group 2023 RM'000	2022 RM'000
Current		
Secured:		
Financial institutions		
Bank loans - HK$ denominated	**58,302**	56,122
Revolving financing	**45,897**	121,500
Bankers' acceptance	**5,865**	5,963
Bank overdrafts	**731**	1,443
Non-financial institutions		
Lenders from non-financial institutions	**124,072**	127,644
Unsecured:		
Term loan	**-**	4,376
Bank overdrafts	**-**	2
Total current loans and borrowings	**234,867**	317,050
Non-current		
Secured:		
Financial institutions		
Bank loans - HK$ denominated	**1,414,475**	1,421,800
Revolving financing	**90,603**	-
Total non-current loans and borrowings	**1,505,078**	1,421,800
Total loans and borrowings	**1,739,945**	1,738,850
Total loans and borrowings		
Bank loans	**1,472,777**	1,477,922
Revolving financing	**136,500**	121,500
Bankers' acceptance	**5,865**	5,963
Lenders from non-financial institutions	**124,072**	127,644
Term loan	**-**	4,376
Bank overdrafts	**731**	1,445
	1,739,945	1,738,850

27. Loans and borrowings (cont'd.)

	Group 2023 RM'000	Group 2022 RM'000
Maturity of loans and borrowings:		
Within one year	**234,867**	317,050
More than one year and less than two years	**1,505,078**	56,474
More than two years and less than five years	**-**	1,365,326
	1,739,945	1,738,850

A reconciliation of liabilities arising from financing activities of the Group is as follows:

	At 1.1.2023 RM'000	Proceeds RM'000	Repayment RM'000	Exchange differences RM'000	At 31.12.2023 RM'000
Bank loans	**1,477,922**	**-**	**(57,645)**	**52,500**	**1,472,777**
Revolving financing	**121,500**	**15,000**	**-**	**-**	**136,500**
Bankers' acceptance	**5,963**	**11,406**	**(11,583)**	**79**	**5,865**
Lenders from non-financial institutions	**127,644**	**-**	**(9,221)**	**5,649**	**124,072**
Term loan	**4,376**	**-**	**(4,601)**	**225**	**-**
Total	**1,737,405**	**26,406**	**(83,050)**	**58,453**	**1,739,214**

	At 1.1.2022 RM'000	Proceeds RM'000	Repayment RM'000	Exchange differences RM'000	At 31.12.2022 RM'000
Bank loans	1,153,341	1,379,859	(1,141,716)	86,438	1,477,922
Revolving financing	104,500	17,000	-	-	121,500
Bankers' acceptance	5,819	14,914	(14,770)	-	5,963
Lenders from non-financial institutions	120,882	-	-	6,762	127,644
Term loan	4,092	-	-	284	4,376
Total	1,388,634	1,411,773	(1,156,486)	93,484	1,737,405

27. Loans and borrowings (cont'd.)

The weighted average effective interest rates at the reporting date for loans and borrowings are as follows:

	Group 2023 %	Group 2022 %
Bank loans	**7.1**	4.6
Revolving financing	**6.6**	6.2
Bankers' acceptance	**4.5**	3.4
Lenders from non-financial institutions	**14.0**	10.8
Term loan	**-**	7.0
Bank overdrafts	**6.4**	6.4

(i) As at 31 December 2023, bank loans of the Group denominated in HK$ are secured by property, plant and equipment, investment properties and land use rights with total net carrying amount of RM1,442,599,000 (2022: RM1,442,191,000).

(ii) As at 31 December 2023, revolving financing of the Group of RM136,500,000 (2022: RM121,500,000) is secured by trade receivables of RM134,230,000 (2022: RM112,346,000) and unrealised receivables of RM50,965,000 (2022: RM43,170,000) which will be due within 48 months.

(iii) As at 31 December 2023, bankers' acceptance, bank overdrafts and bank guarantee facilities of the Group are secured by deposits with licensed banks of RM33,599,000 (2022: RM31,046,000).

(iv) As at 31 December 2023, amounts due to lenders from non-financial institutions of RM78,124,000 (2022: RM74,723,000) and RM45,948,000 (2022: RM52,921,000) are secured by an investment property with a carrying amount of RM160,200,000 (2022: RM160,200,000), and 924,200,000 ordinary shares (2022: 924,200,000 ordinary shares) of HK$0.02 each in the capital of PRGL, respectively.

Subsequent to the financial year, the Group, as borrower, had on 15 March 2024 entered into a facility agreement with a syndicate of banks, as lenders, in relation to a syndicated loan facility in an aggregate amount of up to Rmb2,500,000,000 (equivalent to approximately RM1,614,500,000) ("Loan Facility") for a term of 36 months commencing from the first drawdown date. The Loan Facility is to refinance the Group's existing HK$ denominated bank loans.

28. Long term payables

	Group 2023 RM'000	Group 2022 RM'000
Rental deposits	**1,076**	5,390
Others	**-**	27
	1,076	5,417

Non-current rental deposits have maturity ranging from 2 to 13 years (2022: 2 to 13 years). The rental deposits are initially recognised at their fair values.

29. Provisions

	Group 2023 RM'000	Group 2022 RM'000
Non-current	**20,501**	17,217
Current	**4,173**	5,816
Total	**24,674**	23,033

These relate to provisions for restoration costs which represent the estimated cost of restoring leased space used in the principal activities of the Group. Provisions made are capitalised as part of the carrying amount of the Group's property, plant and equipment.

The movement in the provisions is as follows:

	Group 2023 RM'000	Group 2022 RM'000
At beginning of the financial year	**23,033**	21,606
Arose during the financial year	**2,685**	2,073
Utilised during the financial year	**-**	(340)
Reversed during the financial year	**(1,692)**	(839)
Unwinding of discount	**890**	558
Exchange differences	**(242)**	(25)
At end of the financial year	**24,674**	23,033

30. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current				
Trade and other payables:				
Trade payables (i)	**772,220**	682,611	**-**	-
Other payables (ii)	**300,540**	279,570	**-**	-
Deposits (iii)	**107,526**	193,795	**-**	-
Accruals	**99,245**	104,419	**1,166**	891
Total trade and other payables	**1,279,531**	1,260,395	**1,166**	891
Add:				
Loans and borrowings (Note 27)	**1,739,945**	1,738,850	**-**	-
Rental deposits (Note 28)	**1,076**	5,390	**-**	-
Amounts due to subsidiaries	**-**	-	**1,939**	4,837
Total financial liabilities carried at amortised cost	**3,020,552**	3,004,635	**3,105**	5,728

(i) Credit terms of trade payables granted to the Group vary from 30 to 90 days (2022: 30 to 90 days).

(ii) Other payables are normally settled on average terms of 30 to 90 days (2022: average terms of 30 to 90 days).

(iii) Amount as at 31 December 2022 included net deposits received by the Group of RM84,293,000 in relation to the Disposal of Properties as disclosed in Note 34(i).

Other information on financial risks of trade and other payables are disclosed in Note 39.

31. Contract liabilities

	Group 2023 RM'000	Group 2022 RM'000
Deferred revenue from:		
Gift cards/vouchers sold [(i)]	**405,623**	400,787
Customer loyalty award [(ii)]	**13,584**	13,518
	419,207	414,305

(i) A reconciliation of the deferred revenue from gift cards/vouchers sold is as follows:

	Group 2023 RM'000	Group 2022 RM'000
At beginning of the financial year	**400,787**	404,362
Arose during the financial year	**426,016**	417,892
Revenue recognised during the financial year	**(428,087)**	(405,973)
Lapsed amounts reversed	**(1,270)**	(2,207)
Exchange differences	**8,177**	(13,287)
At end of the financial year	**405,623**	400,787

(ii) A reconciliation of the deferred revenue from customer loyalty award is as follows:

	Group 2023 RM'000	Group 2022 RM'000
At beginning of the financial year	**13,518**	15,395
Arose during the financial year	**15,665**	15,276
Revenue recognised during the financial year	**(15,800)**	(16,736)
Exchange differences	**201**	(417)
At end of the financial year	**13,584**	13,518

The deferred revenue from customer loyalty award is estimated based on the amount of bonus points outstanding at the reporting date that are expected to be redeemed before expiry.

32. Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

33. Discontinued operations

During the financial year ended 31 December 2023, Parkson Vietnam Co Ltd ("Parkson Vietnam") and its wholly-owned subsidiary, Parkson Vietnam Management Services Co Ltd ("PVMS") were classified as discontinued operations on the premise that the operating results of Parkson Vietnam represented a separate geographical area of operations. Parkson Vietnam operated the Group's remaining store in Ho Chi Minh City, Vietnam. Following the filing of the Application as disclosed in Note 15(a), Parkson Vietnam had ceased its operations in August 2023.

Discontinued operations represented the results of Parkson Haiphong Co Ltd, a wholly-owned subsidiary of PRA in Vietnam, Parkson Vietnam and PVMS. The revenue and results of the discontinued operations were as follows:

		Group	
	Note	2023 RM'000	2022 RM'000
Revenue	4	**3,952**	7,585
Other income	5	**859**	460
Purchase of goods and changes in inventories		**(27)**	(514)
Employee benefits expense	6	**(1,674)**	(3,425)
Depreciation of property, plant and equipment		**(17)**	(48)
Promotional and advertising expenses		**(88)**	(294)
Rental expenses		**(3,928)**	(3,850)
Other expenses		**(3,674)**	(7,725)
Operating loss		**(4,597)**	(7,811)
Finance income	7	**4,471**	8,249
Finance costs	7	**(5,164)**	(7,147)
Allowance for impairment loss on receivables		**(13,204)**	-
Loss on termination of subleases	21	**(97,046)**	-
Gain on termination of lease with landlord	13(b)	**65,607**	-
Gain on deconsolidation of subsidiaries	15(a)	**35,065**	-
Impairment loss on property, plant and equipment		**-**	(712)
Loss before tax	8	**(14,868)**	(7,421)
Income tax expense		**-**	-
Loss from discontinued operations, net of tax		**(14,868)**	(7,421)
Loss for the financial year attributable to:			
Owners of the parent		**(10,104)**	(5,043)
Non-controlling interests		**(4,764)**	(2,378)
		(14,868)	(7,421)

34. Non-current assets classified as held for sale

	Note	Group 2023 RM'000	Group 2022 RM'000
As reclassified from:			
Property, plant and equipment	(i)	**-**	58,403
Investment properties	(i), (ii)	**48,356**	71,017
Intangible assets	(i)	**-**	63,513
Investments in joint ventures	(iii)	**-**	-
		48,356	192,933

(i) In the previous financial year ended 31 December 2022, Qingdao No. 1 Parkson Co Ltd, an indirect 95.91% owned subsidiary of PRGL, had entered into a sale and purchase agreement with an independent third party to dispose of certain property, plant and equipment and investment properties located in Qingdao City, Shandong Province, the PRC ("Properties") at a consideration of Rmb280 million (equivalent to approximately RM177,016,000) ("Disposal of Properties").

The net book values of property, plant and equipment of RM58,403,000, investment properties of RM22,661,000 and goodwill of RM63,513,000 in relation to the Disposal of Properties were reclassified as non-current assets classified as held for sale as at 31 December 2022.

The registration of title transfer of the Properties to the purchaser had been completed during the financial year ended 31 December 2023.

(ii) In the previous financial year ended 31 December 2022, the Group had identified and commenced negotiations with a potential purchaser for the proposed disposal of part of a leasehold land in Melaka, Malaysia ("Land").

On 31 January 2023, Megan Mastika Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with an independent third party in relation to the proposed disposal of approximately 7.54 acres of the Land for a cash consideration of approximately RM48.54 million ("Disposal of Land"). The Disposal of Land entails the disposal of approximately 7.54 acres of the Land ("Subject Property") with 1.28 acres of the Land that is adjacent to the Subject Property ("Surrendered Land") shall have been surrendered to the relevant authorities. The Land is pledged for a loan facility granted to the Group as at 31 December 2023 and 31 December 2022.

The Disposal of Land is pending the fulfilment of conditions precedent.

The net book values of the Subject Property and the Surrendered Land totalling RM48,356,000 were reclassified as non-current assets classified as held for sale as at 31 December 2023 and 31 December 2022.

34. Non-current assets classified as held for sale (cont'd.)

(iii) In the previous financial year ended 31 December 2022, Corporate Code Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement to dispose of its entire equity interests in the Watatime group of companies for a total consideration of approximately RM9 ("Watatime Disposal"). The completion of the Watatime Disposal shall be subject to and conditional upon the conditions precedent being fulfilled.

The Group's investments in the Watatime group of companies had been fully impaired as at 31 December 2023 and 31 December 2022.

35. Significant related party disclosures

Related parties	Relationship
BonusKad Loyalty Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Lion Group Management Services Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Posim Marketing Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Secom (Malaysia) Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Brands Pro Management Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Visionwell Sdn Bhd	A company in which a Director who is also a substantial shareholder of the Company has interests
Lion Insurance Company Limited	A company in which a Director and certain substantial shareholders of the Company have interests

35. Significant related party disclosures (cont'd.)

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties were entered into during the financial year:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Purchases of goods and services from:		
- BonusKad Loyalty Sdn Bhd	**5,643**	6,048
- Lion Group Management Services Sdn Bhd	**572**	492
- Posim Marketing Sdn Bhd	**377**	118
- Secom (Malaysia) Sdn Bhd	**679**	765
- Brands Pro Management Sdn Bhd	**387**	355
Rental of office and/or warehouse space from:		
- Visionwell Sdn Bhd	**713**	1,044

	Company	
	2023	**2022**
	RM'000	**RM'000**
Interest income from subsidiaries (Note 7)	**46**	809

The Directors of the Company are of the opinion that the above transactions had been entered into in the ordinary course of business and had been established on terms that are no more favourable to the related parties than those arranged with independent third parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2023 are disclosed in Note 19, Note 20, Note 30 and Note 32.

35. Significant related party disclosures (cont'd.)

(b) Compensation of key management personnel

The remuneration of the Managing Director and the Executive Director of the Company and other members of key management during the financial year are as follows:

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Short term employee benefits	**6,741**	6,536	**203**	203
Pension costs				
- Defined contribution plans	**168**	157	**-**	-
	6,909	6,693	**203**	203

36. Commitments

Capital commitments

Capital expenditure at the reporting date is as follows:

	Group 2023 RM'000	Group 2022 RM'000
Purchase of property, plant and equipment:		
Approved and contracted for	**7,785**	42,406

37. Corporate guarantees

As at 31 December 2022, the Company had provided corporate guarantees amounting to RM44,000,000 in favour of financial institutions as security for the credit facilities totalling RM35,500,000 granted to subsidiaries of the Company.

The corporate guarantees issued were not recognised in the financial statements as no value has been placed on the guarantees provided by the Company, considering that the likelihood of the guaranteed parties defaulting within the guaranteed period were assessed to be remote.

The Company was released and discharged from all obligations under the corporate guarantees as at 31 December 2023.

38. Fair value

(a) Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets/(liabilities):

	Level 3 RM'000
2023	
Investment properties (Note 12):	
Completed investment properties	**2,066,560**
IPUC	**112,000**
Investment securities (Note 22):	
Financial assets at FVOCI	
- Unquoted equity securities	**1,568**
Financial assets at FVPL	
- Wealth management products	**37,159**
2022	
Investment properties (Note 12):	
Completed investment properties	2,023,040
IPUC	112,000
Investment securities (Note 22):	
Financial assets at FVOCI	
- Unquoted equity securities	17,504
Financial assets at FVPL	
- Wealth management products	68,477

38. Fair value (cont'd.)

(a) Fair value measurement (cont'd.)

There has been no transfer between Levels 1, 2 and 3 for the financial years under review.

Fair value of investment properties is determined on an open market, existing use basis by the Group, as disclosed in Note 12.

Fair values of unquoted equity securities and wealth management products are determined using the future cash flows that are estimated based on expected applicable yield of the underlying investment portfolio and discounted at rates that reflect the credit risk of various counterparties.

Changing one or more of the inputs to reasonable alternative assumptions would not significantly change the fair values of the financial assets categorised as Level 3 under the fair value hierarchy.

(b) Financial instruments

(i) The following are classes of financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximations of fair values:

	Note
Lease liabilities	13
Amounts due from subsidiaries	19
Trade and other receivables	20
Investment securities	22
Time deposits	23
Trade and other payables	30
Amounts due to subsidiaries	32

The carrying amounts of certain financial assets and financial liabilities are reasonable approximations of fair values due to their short term nature.

38. Fair value (cont'd.)

(b) Financial instruments (cont'd.)

(ii) The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(aa) Financial instruments classified as current

The fair values of the Group's and of the Company's financial instruments, other than amounts due from/to subsidiaries/related parties, which are classified as current approximate to their carrying amounts due to the relatively short term maturity of these financial instruments.

(bb) Long term time deposits, loans and borrowings

The fair values of long term time deposits, loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangement at the reporting date.

(cc) Deposit receivables/payables

The fair values of rental deposit receivables/payables are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangement at the reporting date.

(dd) Lease liabilities

The fair values of non-current lease liabilities are estimated by discounting expected future lease payments at market incremental lending rate for similar types of lending, borrowings or leasing arrangements at the date of application.

39. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, deposits, cash and bank balances that derive directly from its operations.

The Group is exposed to interest rate risk, foreign currency risk, liquidity risk and credit risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Group reviews and agrees to policies for managing each of these risks, which are summarised below:

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

A reasonably possible change of 100 basis point in interest rate, arising mainly from the lower/higher interest on bank loans, with all other variables held constant, the Group's profit or loss for the years would have been RM16,100,000 (2022: RM16,009,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk as a result of the foreign currency transactions entered into by the Group in currencies other than its functional currency. As these transactions are mainly denominated in United States Dollar ("US$"), Hong Kong Dollar ("HK$") and Singapore Dollar ("SGD"), the Group's foreign currency risk is primarily due to exposure to the US$, HK$ and SGD. Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

39. Financial risk management objectives and policies (cont'd.)

(b) Foreign currency risk (cont'd.)

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

In addition to the disclosure detailed elsewhere in the financial statements, the net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	Net financial assets held in			
Functional currency	**US$ RM'000**	**HK$ RM'000**	**SGD RM'000**	**Total RM'000**
Deposits, cash and bank balances				
2023				
Ringgit Malaysia	**207**	**829**	**4,225**	**5,261**
Chinese Renminbi	**12,427**	**5,347**	**-**	**17,774**
Singapore Dollar	**1,848**	**-**	**-**	**1,848**
	14,482	**6,176**	**4,225**	**24,883**
2022				
Ringgit Malaysia	529	1	420	950
Chinese Renminbi	9,128	3,629	-	12,757
Singapore Dollar	1,243	-	-	1,243
	10,900	3,630	420	14,950

Foreign currency sensitivity

A reasonably possible change of 2% (2022: 2%) in the US$, HK$ and SGD exchange rates against the functional currency of the Group, with all other variables held constant, would have no material impact on the Group's profit or loss.

39. Financial risk management objectives and policies (cont'd.)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group manages its operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash and bank balances to meet its working capital requirements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Not later than one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities:				
Group				
2023				
Trade and other payables	**1,279,531**	**-**	**-**	**1,279,531**
Loans and borrowings:				
Bank overdrafts	**731**	**-**	**-**	**731**
Revolving financing	**56,090**	**90,603**	**-**	**146,693**
Bankers' acceptance	**6,347**	**-**	**-**	**6,347**
Bank loans	**167,289**	**1,423,955**	**-**	**1,591,244**
Lenders from non-financial institutions	**131,468**	**-**	**-**	**131,468**
Rental deposits	**-**	**-**	**1,076**	**1,076**
Lease liabilities	**723,407**	**1,587,203**	**1,210,593**	**3,521,203**
Total undiscounted financial liabilities	**2,364,863**	**3,101,761**	**1,211,669**	**6,678,293**

39. Financial risk management objectives and policies (cont'd.)

(c) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (cont'd.)

	Not later than one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities:				
Group (cont'd.)				
2022				
Trade and other payables	1,260,395	-	-	1,260,395
Loans and borrowings:				
Bank overdrafts	1,445	-	-	1,445
Revolving financing	126,737	-	-	126,737
Bankers' acceptance	6,591	-	-	6,591
Term loan	4,476	-	-	4,476
Bank loans	160,841	1,530,753	-	1,691,594
Lenders from non-financial institutions	139,300	-	-	139,300
Rental deposits	-	-	5,390	5,390
Lease liabilities	737,930	1,889,147	1,238,700	3,865,777
Total undiscounted financial liabilities	2,437,715	3,419,900	1,244,090	7,101,705
Company				
2023				
Trade and other payables	**1,166**	**-**	**-**	**1,166**
Amounts due to subsidiaries	**1,939**	**-**	**-**	**1,939**
Total undiscounted financial liabilities	**3,105**	**-**	**-**	**3,105**
2022				
Trade and other payables	891	-	-	891
Amounts due to subsidiaries	4,837	-	-	4,837
Total undiscounted financial liabilities	5,728	-	-	5,728

39. Financial risk management objectives and policies (cont'd.)

(c) Liquidity risk (cont'd.)

Corporate guarantee issued by the Company in favour of financial institutions as security for the credit facilities granted to subsidiaries of the Company, were not recognised in the financial statements as no value has been placed on the guarantees provided, considering that the likelihood of the guaranteed parties defaulting within the guaranteed period were assessed to be remote. Further details of the corporate guarantees are disclosed in Note 37.

(d) Credit risk

Credit risk is the risk of loss that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Group and the Company are exposed to credit risk from their operating activities primarily from trade and other receivables. The receivables are monitored on an ongoing basis through the Group's and the Company's management reporting procedures.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive fair values.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 20.

Credit risk concentration profile

The Group and the Company determine concentrations of credit risk by monitoring individual profile of their trade receivables on an ongoing basis.

At the reporting date, the Group and the Company do not have any significant exposure to any individual customer or counterparty nor do they have any major concentration of credit risk related to any financial instrument.

Financial assets that are neither past due nor impaired

Information regarding receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks and other financial institutions are placed with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding receivables that are either past due or impaired is disclosed in Note 20.

40. Segmental information

For management purposes, the Group is organised into business units based on its products and services, and has two reportable operating segments as follows:

(i) Retailing - Operation and management of retail stores in Malaysia and PRC.

(ii) Others - Operation of credit services, food and beverage businesses, and investment holding.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on operating profit. Group financing (including finance income and finance costs) and income taxes are managed on a group basis and are not allocated to reportable segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment assets

Segment assets represent total assets of the Group. The segment assets are presented in a manner that is consistent with the internal reporting provided to management for the purpose of making decisions on resource allocation and performance assessment.

Segment liabilities

Segment liabilities represent total liabilities of the Group. The segment liabilities are presented in a manner that is consistent with the internal reporting provided to management for the purpose of making decisions on resource allocation and performance assessment.

Segment capital expenditure

Segment capital expenditure represent total costs incurred during the financial years to acquire property, plant and equipment, investment properties and intangible assets.

40. Segmental information (cont'd.)

The Group's segmental information is as follows:

	Retailing			Continuing	Discontinued	
	Malaysia	PRC	Others	operations	operations	Total
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:						
External customers	769,244	2,277,840	74,871	3,121,955	3,952	3,125,907
Inter-segment	-	-	-	-	-	-
Total revenue	769,244	2,277,840	74,871	3,121,955	3,952	3,125,907
Results:						
Segment profit/(loss)	190,881	317,027	4,176	512,084	(4,597)	507,487
Finance income				46,523	4,471	50,994
Finance costs				(380,352)	(5,164)	(385,516)
Share of results of associates				8,210	-	8,210
Share of results of joint ventures				7,170	-	7,170
Gain on disposal of properties				23,756	-	23,756
Impairment loss on:						
- Property, plant and equipment				(3,414)	-	(3,414)
- Right-of-use assets				(15,407)	-	(15,407)
- Intangible assets				(83,267)	-	(83,267)
Allowance for impairment loss on receivables				-	(13,204)	(13,204)
Loss on termination of subleases				-	(97,046)	(97,046)
Gain on termination of lease with landlord				-	65,607	65,607
Gain on deconsolidation of subsidiaries				-	35,065	35,065
Profit/(loss) before tax				115,303	(14,868)	100,435
Segment assets	1,037,000	6,823,177	663,967	8,524,144	1,803	8,525,947
Segment liabilities	940,687	4,858,762	307,825	6,107,274	1,149	6,108,423
Capital expenditure	16,038	75,315	87	91,440	80	91,520

40. Segmental information (cont'd.)

The Group's segmental information is as follows: (cont'd.)

2022	Retailing Malaysia RM'000	Retailing PRC RM'000	Others RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000
Revenue:						
External customers	754,531	2,106,936	53,529	2,914,996	7,585	2,922,581
Inter-segment	-	-	-	-	-	-
Total revenue	754,531	2,106,936	53,529	2,914,996	7,585	2,922,581
Results:						
Segment profit/(loss)	209,131	27,059	(11,481)	224,709	(7,811)	216,898
Finance income				45,796	8,249	54,045
Finance costs				(362,475)	(7,147)	(369,622)
Share of results of associates				(1,001)	-	(1,001)
Share of results of joint ventures				(1,124)	-	(1,124)
Impairment loss on:						
- Property, plant and equipment				(2,400)	(712)	(3,112)
- Right-of-use assets				(25,057)	-	(25,057)
- Intangible assets				(32,500)	-	(32,500)
Loss before tax				(154,052)	(7,421)	(161,473)
Segment assets	1,060,343	7,165,470	513,130	8,738,943	120,566	8,859,509
Segment liabilities	1,021,738	5,044,115	302,463	6,368,316	121,130	6,489,446
Capital expenditure	11,564	92,514	23	104,101	561	104,662

40. Segmental information (cont'd.)

Non-current assets information based on the geographical locations of customers and assets are as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Malaysia	**649,558**	694,909
PRC	**4,672,400**	4,973,626
Vietnam	**-**	56
Others	**5**	4
	5,321,963	5,668,595

The amount of non-current assets consist of property, plant and equipment, investment properties, right-of-use assets, intangible assets, investments in associates and investments in joint ventures.

Information about major customer

The Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue.

41. Capital management

The primary objective of the Group's capital management is to ensure that it maintains the Group's stability and growth in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group regularly reviews and manages its capital structure and makes adjustments to it, taking into consideration of changes in economic conditions, future capital requirements of the Group, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities. No changes were made in the objective, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

41. Capital management (cont'd.)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, lease liabilities, loans and borrowings, less deposits, cash and bank balances and current investment securities. Capital represents total equity of the Group.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Lease liabilities (Note 13(b))	**2,472,555**	2,846,672	**-**	-
Loans and borrowings (Note 27)	**1,739,945**	1,738,850	**-**	-
Less: Deposits, cash and bank balances (Note 23)	**(1,494,844)**	(1,306,069)	**(952)**	(3,461)
Investment securities - current (Note 22)	**(37,159)**	(68,477)	**-**	-
Net debt/(cash) (A)	**2,680,497**	3,210,976	**(952)**	(3,461)
Total equity, representing total capital	**2,417,524**	2,370,063	**2,700,446**	2,672,811
Capital and net debt (B)	**5,098,021**	5,581,039	**2,699,494**	2,669,350
Gearing ratio (A/B)	**53%**	58%	*****	*

* Not applicable as the Company does not have debt.

42. Status of litigations

(i) On 15 November 2018, Parkson (Cambodia) Co Ltd ("PCCO"), a wholly-owned subsidiary of Parkson Retail Asia Limited ("PRA") which is in turn a 67.96% owned subsidiary of the Company, commenced arbitration proceedings on Hassan (Cambodia) Development Co Ltd ("Lessor") under Singapore International Arbitration Centre ("SIAC Arbitration") relating to the lease of a planned store in Cambodia ("Premises"). The SIAC Arbitration hearing was completed on 26 May 2020. On 14 September 2020, the SIAC Arbitration issued a final award ("SIAC Award") wherein the SIAC Arbitration found, *inter alia*, that the lease agreement dated 21 April 2016 in respect of the Premises ("Lease Agreement") was lawfully terminated by PCCO, and ordered the Lessor to pay to PCCO approximately US$7.8 million which included:

(a) security deposit of US$2,463,750;

(b) advance rental of US$2,025,000;

(c) costs and expenses incurred by PCCO of US$2,692,253 which had been wasted as a result of the Lessor's breach of the Lease Agreement; and

(d) costs and expenses of the SIAC Arbitration, and legal fees and costs incurred in connection with the proceedings of approximately SGD0.8 million.

42. Status of litigations (cont'd.)

(i) (cont'd.)

Even though the disputes between PCCO and the Lessor were before the SIAC Arbitration, on 12 December 2018, the Lessor had filed a petition ("Case No. 2577") in the Phnom Penh Municipal Court of First Instance ("PPMCFI"). On 27 March 2020, PPMCFI granted a default judgement against PCCO in the Case No. 2577 ("Default Judgement") for, *inter alia* :

(a) the Lessor shall forfeit the security deposit and all advance rental paid by PCCO to the Lessor amounting to US$4,488,750; and

(b) PCCO shall pay damages of US$144,504,960 to the Lessor, being the rental fee for the whole period of the lease.

On 4 May 2020, PCCO filed a petition to PPMCFI to set aside the Default Judgement. PPMCFI has agreed to accept PCCO's petition and to hold pre-trial proceedings and hearing for the Case No. 2577. After the pre-trial proceedings and subsequent hearing for Case No. 2577, the PPMCFI will decide whether to (a) uphold the Default Judgement; or (b) dismiss the Default Judgement (either partly or wholly). Additionally, on 21 May 2020, PCCO filed a motion to challenge and disqualify PPMCFI's judge ("Motion to Challenge and Disqualify Judge"). The Motion to Challenge and Disqualify Judge was dismissed on 9 June 2020 and on 26 June 2020, PCCO filed an appeal against the decision of the PPMCFI. On 11 November 2020, PCCO's appeal against the Motion to Challenge and Disqualify Judge was dismissed by the Cambodian Appellate Court.

The hearing date for the Case No. 2577 has yet to be fixed by PPMCFI.

On 27 November 2020, PCCO applied for the recognition and enforcement of the SIAC Award to the Cambodian Appellate Court ("PCCO Application on SIAC Award"). The PCCO Application on SIAC Award was heard on 10 November 2021 and the decision on the PCCO Application on SIAC Award will be on a date to be fixed by the Cambodian Appellate Court.

The Default Judgement is only applicable against PCCO and does not extend to the Group. The Default Judgement, if not set aside, will be recorded by the Group although the management is of the view that the execution of which will be limited to the Group's capital contribution in PCCO which had previously been fully provided for. The Group had also previously recognised full impairment loss on the security deposit, advance rental as well as property, plant and equipment in respect of the relevant store in Cambodia.

42. Status of litigations (cont'd.)

(ii) On 23 December 2019, Parkson Corporation Sdn Bhd ("PCSB"), a wholly-owned subsidiary of PRA, was served with a Writ and the Statement of Claim both dated 13 December 2019 ("Suit"). The Suit was initiated by PKNS-Andaman Development Sdn Bhd ("PKNS") in relation to premises let to PCSB within a mall known as "EVO Shopping Mall" ("Demised Premises").

PKNS, the landlord of the Demised Premises, has alleged that PCSB had failed to observe its obligation to pay rental for the Demised Premises pursuant to the Tenancy Agreement dated 2 October 2017 entered into between PCSB and PKNS ("Tenancy Agreement") and accordingly, PKNS is claiming for, amongst others, the following reliefs ("Reliefs"):

(a) payment by PCSB of RM3,659,172 to PKNS, being the accrued monthly rental from 2 April 2018 to 2 December 2019, and thereafter at the rate of RM182,958 per month until the return of the Demised Premises to PKNS;

(b) as an alternative to item (a) above, payment by PCSB of RM3,842,131 to PKNS, being the accrued monthly rental from 27 February 2018 to 27 November 2019, and thereafter at the rate of RM182,958 per month until the return of the Demised Premises to PKNS;

(c) payment by PCSB of RM1,859,600 to PKNS, being the renovation cost contributed by PKNS towards the Demised Premises;

(d) interest upon the judgement debt at the rate of 5% per annum from 13 December 2019 until the date of judgement;

(e) interest upon the judgement debt at the rate of 5% per annum from the date of judgement until date of full settlement;

(f) PCSB to duly return the vacant possession of the Demised Premises to PKNS in the original condition and/or PCSB to return vacant possession of the Demised Premises to PKNS within 14 days from the date of judgement; and

(g) costs of proceedings to be paid by PCSB to PKNS.

On 22 May 2020, PCSB filed a court application to strike out the Suit on the grounds that the Suit (a) discloses no reasonable cause of action; (b) is scandalous, frivolous and vexatious; and/or (c) is an abuse of process of the court.

On 29 January 2021, the High Court of Malaya ("High Court") allowed PCSB's application to strike out the Suit and had accordingly struck out the Suit with costs of RM7,000 to be paid by PKNS to PCSB.

42. Status of litigations (cont'd.)

(ii) (cont'd.)

On 16 February 2021, PCSB received a notice of appeal from PKNS informing that PKNS had filed an appeal against the decision given by the High Court on 29 January 2021 allowing PCSB's striking out application ("Appeal").

On 21 March 2023, the Court of Appeal allowed the Appeal and directed for the matter to proceed with trial at the High Court.

On 8 June 2023, PKNS filed an application with the High Court to amend, amongst others, the Reliefs in its Statement of Claim ("Amendment Application") with the High Court as follows:

(a) payment by PCSB of RM10,965,712 to PKNS, being the accrued monthly rental from 2 April 2018 to June 2023, and thereafter at the rate of RM182,958.60 per month until full settlement of total outstanding rental;

(b) as an alternative to item (a) above, payment by PCSB of RM11,722,419 to PKNS, being the accrued monthly rental from 27 February 2018 to June 2023, and thereafter at the rate of RM182,958.60 per month until full settlement of total outstanding rental; and

(c) PCSB is to pay total outstanding monthly rental to PKNS within 14 days from the date of judgement.

Items (c), (d), (e) and (g) of the Reliefs continue to remain unchanged in PKNS's claim.

On 18 August 2023, the High Court allowed the Amendment Application upon which PKNS had on 6 September 2023, served PCSB with an Amended Writ and Amended Statement of Claim, both dated 3 September 2023. PCSB had filed its amended Statement of Defence on 19 September 2023.

The trial dates of the matter have been fixed on 30 to 31 May 2024, 28 June 2024 and 1 July 2024.

PCSB maintains its position that no rental is payable as PKNS has failed to satisfy the conditions precedent as set out in the Tenancy Agreement for rental commencement to be triggered and PKNS's act of issuing commencement notice pursuant to the Tenancy Agreement backdating the commencement date of rental without satisfying the conditions precedent is unlawful.

43. Comparatives

Certain comparative figures have been restated to reflect the adoption of amendments to MFRS 112 as disclosed in Note 2.2 and to include the operations that have been discontinued by the end of the current reporting period as disclosed in Note 33.

LIST OF GROUP PROPERTIES

AS AT 31 DECEMBER 2023

	Address	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Net Book Value (RM Million)	Date of Acquisition/ Last Revaluation
1.	44-60, Zhongshan Road Shinan District Qingdao City Shandong Province, China	Leasehold 3.4.2045	862.0 sq metres	Commercial building	Apartment (23)	2.5	June 2004
2.	127, Renmin Zhong Road Wuxi, China	Leasehold 22.4.2044	30,498.6 sq metres	Commercial building	Shopping complex and office (27)	20.6	June 2004
3.	37, Financial Street Xicheng District Beijing, China	Leasehold 30.10.2047	60,888.6 sq metres	Commercial building	Shopping complex and office (29)	557.5	July 2006
4.	88, Er Dao Street Tie Dong District Anshan City Liaoning Province, China	Leasehold 11.5.2040	42,574.0 sq metres	Commercial building	Shopping complex (36)	150.6	January 2008
5.	The Northeast Corner of Nanmenwai Street and Shenyi Street Heping District Tianjin, China	Leasehold 10.7.2052	61,426.2 sq metres	Commercial building	Shopping complex under construction	477.4	March 2013
6.	Kawasan Bandar XLIII Daerah Melaka Tengah Melaka						
	- PN 72035 Lot 11357	Leasehold 28.11.2111	23.2 acres	Land	For mixed development	127.3	December 2012, January 2015
	- PN 56726 Lot 11356	Leasehold 25.5.2113	6 acres	Land	For mixed development	32.9	January 2015
7.	No. 195 Hong Kong East Road Laoshan District Qingdao City Shandong Province, China	Leasehold 5.12.2050	228,622.0 sq metres	Commercial building	Shopping complex (8)	885.1	December 2015
8.	121, Renmin Zhong Road Wuxi, China	Leasehold November 2052	11,190.9 sq metres	Commercial building	Shopping complex and office (17)	108.2	March 2018

ANALYSIS OF SHAREHOLDINGS

Issued Shares as at 31 March 2024

Total Number of Issued Shares	:	1,148,902,050
Class of Shares	:	Ordinary shares
Voting Rights	:	1 vote per ordinary share

Distribution of Shareholdings as at 31 March 2024

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	2,979	20.31	92,477	0.01
100 to 1,000	2,350	16.02	984,007	0.09
1,001 to 10,000	5,615	38.28	23,230,826	2.02
10,001 to 100,000	2,999	20.44	100,950,328	8.79
100,001 to less than 5% of issued shares	722	4.92	613,788,525	53.42
5% and above of issued shares	5	0.03	409,855,887	35.67
	14,670	100.00	1,148,902,050	100.00

Substantial Shareholders as at 31 March 2024

	Direct Interest		Deemed Interest	
Substantial Shareholders	No. of Shares	% of Shares	No. of Shares	% of Shares
1. Tan Sri Cheng Heng Jem	286,923,039	24.97	339,592,650	29.56
2. Lion Industries Corporation Berhad	70,617,853	6.15	233,693,845	20.34
3. LLB Steel Industries Sdn Bhd	–	–	233,693,845	20.34
4. Steelcorp Sdn Bhd	–	–	233,693,845	20.34
5. Amsteel Mills Sdn Bhd	177,559,617	15.45	56,134,228	4.89

Thirty Largest Registered Shareholders as at 31 March 2024

	Registered Shareholders	No. of Shares	% of Shares
1.	Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Cheng Heng Jem (419450)	143,987,730	12.53
2.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheng Heng Jem	75,899,963	6.61
3.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheng Heng Jem (M09)	67,035,346	5.83
4.	RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Amsteel Mills Sdn Bhd-1	61,689,636	5.37
5.	RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Amsteel Mills Sdn Bhd-2	61,243,212	5.33
6.	Lion Posim Berhad	56,000,000	4.87
7.	RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Amsteel Mills Sdn Bhd-3	30,672,692	2.67
8.	Cartaban Nominees (Tempatan) Sdn Bhd icapital.biz Berhad	22,942,298	2.00
9.	RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Lion Industries Corporation Bhd-2	19,530,790	1.70
10.	RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Lion Industries Corporation Bhd-1	19,084,365	1.66
11.	Affin Hwang Nominees (Tempatan) Sdn Bhd Trillionvest Sdn Bhd	18,146,213	1.58
12.	RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Amsteel Mills Sdn Bhd	14,487,530	1.26
13.	RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Lion Industries Corporation Bhd-3	12,577,911	1.09
14.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Trillionvest Sdn Bhd (3rd pty)	12,473,000	1.09
15.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lion Industries Corporation Berhad (LIO0157M)	11,702,596	1.02
16.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore BCH)	10,351,200	0.90
17.	RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Amsteel Mills Sdn Bhd-4	9,466,547	0.82
18.	Cheng Yong Kim	9,059,786	0.79
19.	Loh Kian Chong	8,000,000	0.70
20.	Tan Jenn Hwai	7,924,400	0.69
21.	Andrew Chew Hock Chuan	7,500,000	0.65
22.	Lion Holdings Private Limited	7,006,526	0.61
23.	Lion-Parkson Foundation	5,816,389	0.51
24.	RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Lion Industries Corporation Berhad	5,512,470	0.48
25.	Gan Jinn Sheng	5,100,000	0.44
26.	CIMB Group Nominees (Asing) Sdn Bhd Exempt AN for DBS Bank Ltd (SFS)	4,952,776	0.43
27.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Chan Sherng	4,880,000	0.42
28.	Affin Hwang Nominees (Asing) Sdn Bhd Exempt AN for Phillip Securities (Hong Kong) Ltd (Clients' Account)	4,524,065	0.39
29.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Han Joeh	4,399,700	0.38
30.	Maybank Nominees (Asing) Sdn Bhd MTrustee Berhad for Excel Step Investments Limited (419463)	4,218,816	0.37

Directors' Interests in Shares in the Company and its Related Corporations as at 31 March 2024

The Directors' interests in shares in the Company and its related corporations as at 31 March 2024 are as follows:

	Direct Interest No. of Ordinary Shares	Direct Interest %	Deemed Interest No. of Ordinary Shares	Deemed Interest %
The Company				
Tan Sri Cheng Heng Jem	286,923,039	24.97	339,994,089	29.60
Ooi Kim Lai	197	Negligible	–	–

	Direct Interest No. of Ordinary Shares	Direct Interest %	Deemed Interest No. of Ordinary Shares	Deemed Interest %
Related Corporations				
Tan Sri Cheng Heng Jem				
Parkson Myanmar Investment Company Pte Ltd	–	–	2,100,000	70.00
Parkson Retail Asia Limited ("PRA")	500,000	0.07	457,933,300	67.96
Parkson Retail Group Limited	–	–	1,448,270,000 #	54.97
Cheng Hui Yen, Natalie				
PRA	50,000	0.01	–	–

Investments in the People's Republic of China	Deemed Interest Rmb	Deemed Interest % of Holdings
Tan Sri Cheng Heng Jem		
Guizhou Shenqi Parkson Retail Development Co Ltd	10,200,000	60.00
Lion Food & Beverage Ventures Limited	3,640,000	91.00
Qingdao No. 1 Parkson Co Ltd	223,796,394	95.91
Wuxi Sanyang Parkson Plaza Co Ltd	48,000,000	60.00

Note:

\# *Ordinary shares of HK$0.02 each.*

Other than as disclosed above, none of the other Directors of the Company had any interest in shares in the Company or its related corporations as at 31 March 2024.

MATERIAL CONTRACTS INVOLVING THE INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

(a) Conditional Option Agreement dated 13 September 2013 and supplemented by the Letters dated 7 February 2014, 2 June 2017, 28 February 2020, 31 December 2020 and 30 December 2022, and the Supplemental Option Agreement dated 12 May 2014 (collectively, the "Said Option Agreements") entered into between True Excel Investments (Cambodia) Co., Ltd ("True Excel") (a wholly-owned subsidiary of Parkson Holdings Berhad) as grantee and PP.SW Development Co. Ltd ("PP.SW"), a company in which a Director who is also a major shareholder of the Company has interest, as grantor wherein True Excel is granted the option to enter into a lease agreement ("Option to Lease") for the lease of the lower ground floor and first floor of a mall to be constructed at Sangkat Kakap, Khan Dang Kor, Phnom Penh, Cambodia for a term of 50 years with automatic renewal for another 50 years for an indicative refundable deposit of approximately US$42.00 million (equivalent to approximately RM201.18 million) to be satisfied wholly in cash upon the terms and conditions of the Said Option Agreements. The commencement date to exercise the Option to Lease had been extended to 31 December 2024.

(b) Conditional Sale and Purchase Agreement dated 13 September 2013 and supplemented by the Letters dated 7 February 2014, 2 June 2017, 28 February 2020, 31 December 2020 and 30 December 2022, and the Supplemental Conditional Sale and Purchase Agreement dated 12 May 2014 (collectively, the "Said Sale and Purchase Agreements") entered into between PP.SW as vendor and True Excel as purchaser for the purchase by True Excel of the second to seventh floors of a mall to be constructed at Sangkat Kakap, Khan Dang Kor, Phnom Penh, Cambodia ("Property") for an indicative consideration of approximately US$75.09 million (equivalent to approximately RM359.68 million) to be satisfied wholly in cash upon the terms and conditions of the Said Sale and Purchase Agreements. The handover date of the Property had been extended until 31 December 2024 for PP.SW to complete and hand over the Property to True Excel.

OTHER INFORMATION

(I) NON-AUDIT FEES

The amount of non-audit fees paid or payable to External Auditors and its affiliated companies for the financial year ended 31 December 2023 by the Group and by the Company were RM22,500 (2022: RM13,500) and RM8,000 (2022: RM8,000) respectively.

(II) RECURRENT RELATED PARTY TRANSACTIONS

The aggregate value of transactions conducted during the financial year ended 31 December 2023 were as follows:

Nature of Recurrent Transactions	Related Parties	Amount RM'000
Obtaining of management and support, office equipment, vehicle component parts, training and other related products and services	Lion Industries Corporation Berhad ("LICB") Group [i]	580
	Lion Corporation Berhad ("LCB") Group [ii]	31
		611

Notes:

[i] LICB Group : LICB and its subsidiaries, excluding public companies

[ii] LCB Group : LCB and its subsidiaries and associated companies

The Related Parties are companies in which a Director and certain major shareholders of the Company have substantial interests.

PARKSON HOLDINGS BERHAD
198201009470 (89194-P)

FORM OF PROXY

CDS ACCOUNT NUMBER

			–			–									

I/We ____

NRIC/Passport/Registration No. ____

of ____

being a member of PARKSON HOLDINGS BERHAD, hereby appoint ______________________

____

NRIC/Passport No. ____

of ____

or failing whom, ____

NRIC/Passport No. ____

of ____

as my/our proxy to vote for me/us and on my/our behalf at the 40th Annual General Meeting of the Company ("40th AGM") to be held virtually from the Broadcast Venue, Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan and via Securities Services e-Portal at https://sshsb.net.my/ on Wednesday, 29 May 2024 at 10.30 am and at any adjournment thereof.

RESOLUTIONS	FOR	AGAINST
1. To approve Directors' fees		
2. To approve Directors' benefits		
3. To re-elect Mr Ooi Kim Lai as Director		
4. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors		
5. Authority to Directors to Issue and Allot Shares		
6. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

As witness my/our hand this __________ day of ______________________ 2024

No. of shares: ______________________ Signed: ______________________

Representation at Meeting:

(i) In respect of deposited securities, only Members whose names appear in the Record of Depositors on 23 May 2024 shall be eligible to participate at the Meeting.

(ii) A member entitled to participate and vote at the Meeting is entitled to appoint not more than 2 proxies to participate and vote instead of him. A proxy need not be a member of the Company.

(iii) If a member appoints 2 proxies, the proportion of his shareholdings represented by each proxy must be specified.

(iv) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or the hand of an officer or attorney duly authorised.

(v) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(vi) The instrument appointing a proxy shall be deposited at the Office of the Poll Administrator of the Company for the Meeting, SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time for holding the Meeting.

(vii) Completed Form of Proxy sent through facsimile transmission or any electronic or digital manner shall not be accepted.

- The 40th AGM will be conducted virtually through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities available on Securities Services e-Portal at https://sshsb.net.my/. Please refer to the procedures provided in the Administrative Guide for the 40th AGM for registration, participation and remote voting via the RPV facilities.

PARKSON HOLDINGS BERHAD
Registration No. 198201009470 (89194-P)

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