

CHAIRMAN'S STATEMENT

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 2024.

FINANCIAL PERFORMANCE

In 2024, the global economy carried the hope of recovery but continued to experience numerous challenges of uncertainties. In China, the total retail sales of consumer goods grew at a slower pace compared to the previous year, indicating a decline in consumer confidence. The retail industry also faced several challenges during the year, including shifts in consumer behaviour and demands, with spending becoming more focused on cost-effectiveness and placing higher emphasis on quality, brand recognition and service. Additionally, businesses faced intensified competition as they compete for market share in a more fragmented consumer landscape.

Locally, our retailing operations have been impacted by rising cost of living and inflationary pressures, both of which have been the key challenges to our business performance. Consumers have become more cautious with discretionary spending being exercised with greater selectivity.

Against the backdrop of these operating environments, the Group reported a lower revenue of RM2,805 million as compared to RM3,122 million in the previous year. Operating profit also decreased to RM416 million, compared to RM512 million last year.

PROSPECTS

Looking ahead, amid the growing diversity in consumer demands and the increasing competition in the retail industry in **China**, the Group remains focused on its core business and operational innovation to stay agile and competitive in a rapidly changing market. Additionally, the Group is actively seeking strategic business expansion to seize growth opportunities in markets where the Group has established presence.

In **Malaysia**, the Group continues to navigate the ongoing challenges posed by inflationary pressures and rising cost of living, both of which are affecting consumers' sentiments and spending power. To address these challenges, the Group remains focused on executing its strategies to improve gross margins and sales productivity and at the same time, will continue to rationalise its operations, enhance store productivity, improve operational efficiencies, and manage costs in order to strengthen and sustain its performance.

BOARD OF DIRECTORS

On behalf of the Board, I would like to extend a warm welcome to Y. Bhg. Dato' Eow Kwan Hoong who joined the Board as an independent non-executive Director of the Company on 29 May 2024. The Board is confident that the Group will benefit from his invaluable experience and expertise.

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