



PARKSON HOLDINGS BERHAD

A Member of Lion Group

Reg. No: 198201009470 (89194-P)



LAPORAN TAHUNAN **2024** ANNUAL REPORT

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the 41st Annual General Meeting of Parkson Holdings Berhad (“41st AGM”) will be held at the Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan on Wednesday, 28 May 2025 at 10.30 am for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon. **Note 1**
2. To approve the payment of Directors’ fees amounting to RM258,800 for the financial year ended 31 December 2024. **Resolution 1**
3. To approve the payment of Directors’ benefits of up to RM98,000 for the period commencing after the 41st AGM until the next annual general meeting of the Company. **Resolution 2**
4. To re-elect the following Directors who retire by rotation in accordance with Clause 110 of the Company’s Constitution and who being eligible, have offered themselves for re-election:
 - (i) Ms Cheng Hui Yen, Natalie **Resolution 3**
 - (ii) Mr Liew Jee Min @ Chong Jee Min **Resolution 4**
5. To re-elect Y. Bhg. Dato’ Eow Kwan Hoong who was appointed during the financial year and retires in accordance with Clause 111 of the Company’s Constitution and who being eligible, has offered himself for re-election. **Resolution 5**
6. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**
7. Special Business

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

 - 7.1 Authority to Directors to Issue and Allot Shares **Resolution 7**

“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.”

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

Resolution 8

"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 29 April 2025 ("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."

8. 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
29 April 2025

Notes:

- Proxy
 - (i) In respect of deposited securities, only Members whose names appear in the Record of Depositors on 22 May 2025 shall be eligible to attend at the Meeting.
 - (ii) A member entitled to attend and vote at the Meeting is entitled to appoint not more than 2 proxies to attend 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 Registrar of the Company, Securities Services (Holdings) 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.

1. Audited Financial Statements for the financial year ended 31 December 2024

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 RM98,000 for the period commencing after the 41st 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 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. Resolutions 3 to 5

The following Directors ("Retiring Directors") retire in accordance with Clause 110 and Clause 111 of the Company's Constitution and being eligible, have offered themselves for re-election:

- (i) Ms Cheng Hui Yen, Natalie
- (ii) Mr Liew Jee Min @ Chong Jee Min
- (iii) Y. Bhg. Dato' Eow Kwan Hoong

The Nomination Committee ("NC") had reviewed the performance and contribution of each of the Retiring Directors during the annual assessment for the financial year ended 31 December 2024. Based on the results of the assessment, the NC was satisfied with the performance and contribution of the Retiring Directors who had performed their duties as Directors and/or members of the respective Board Committees of the Company; and had discharged their duties and responsibilities effectively at all times.

The NC was also satisfied that Mr Chong and Y. Bhg. Dato' Eow who are also independent non-executive Directors, have displayed independent judgement and acted in the best interests of the Company and the minority shareholders of the Company.

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

The profiles of the Retiring Directors are set out on pages 7 and 9 of the 2024 Annual Report.

4. *Resolution 7*

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 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 29 May 2024 which will lapse at the conclusion of the 41st AGM.

5. *Resolution 8*

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 29 April 2025 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 Y. Bhg. Dato' Eow Kwan Hoong 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 Website : www.lion.com.my/parkson Email : phb@lion.com.my
Share Registrar	: Securities Services (Holdings) Sdn Bhd Level 7, Menara Milenium Jalan Damanlela, Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur Wilayah Persekutuan Tel No : 03-20849000 (general) Fax Nos : 03-20949940, 03-20950292 Email : info@sshbs.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 82, 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 73 of this Annual Report.

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 2024.

Cheng Hui Yen, Natalie
Executive Director

Ms Cheng Hui Yen, Natalie, a Malaysian, female, aged 41, 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 is also entrusted to oversee certain head office functions of the Lion Group.

Ms Cheng has a direct shareholding of 50,000 ordinary shares in PRA.

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 2024.

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 73, 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 2024.

Dato' Eow Kwan Hoong
Independent Non-Executive Director

Y. Bhg. Dato' Eow Kwan Hoong, a Malaysian, male, aged 71, was appointed to the Board on 29 May 2024. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

Dato' Eow is a member of the Malaysian Institute of Accountants and a Fellow Member of the Chartered Institute of Management Accountants (CIMA), United Kingdom.

He began his career as a Cost Accountant with Intel Technology Sdn Bhd in 1979. He later joined Socoil Corporation Sdn Bhd as the Factory Accountant in 1980. In 1982, he joined the Lion Group as Accounts Manager and moved his way up to Group Chief Accountant after serving 17 years in the Group. He then left the Lion Group and joined IRIS Corporation Berhad in 1998 and was its Executive Director from 2002 to September 2016. He was an independent non-executive Director of Lion Posim Berhad, a public listed company, from December 2012 to May 2024.

Dato' Eow attended the remaining 2 Board Meetings of the Company held during the financial year ended 31 December 2024 subsequent to his appointment.

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

Mr Liew Jee Min @ Chong Jee Min, a Malaysian, male, aged 66, was appointed to the Board on 15 January 2019. He is also the Chairman of the Audit Committee, Nomination Committee and Remuneration 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
- Council member of The Kuala Lumpur & Selangor Hopo Association
- Legal advisor of Malaysia Used Vehicle Autoparts Traders Association, The Kuala Lumpur & Selangor Furniture Entrepreneur Association, Zhang Association Selangor & Kuala Lumpur, Federation of Malaysian Manufacturers and Sekolah Menengah Chung Hua (PSDN) Klang

Mr Chong had held directorships in various public companies and at present, he holds directorships in the following public listed companies:

- Chairman of Hextar Healthcare Berhad
- Director of Lion Posim Berhad, Hextar Global Berhad and Hextar Industries Berhad

Mr Chong attended all 4 Board Meetings of the Company held during the financial year ended 31 December 2024.

Ooi Kim Lai

Non-Independent Non-Executive Director

Mr Ooi Kim Lai, a Malaysian, male, aged 57, 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 industrial parks, 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 2024.

Notes:

1. Details of the potential conflict of interest ("COI") situations involving Tan Sri Cheng and Ms Natalie Cheng are disclosed in the Audit Committee Report on pages 34 and 35 of this Annual Report.
2. Save as disclosed in the Directors' Profile and Note 1 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 COI or potential COI, including interest in any competing business with the Company or its subsidiaries; 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, 55 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, 53 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 assumed the position of Acting CEO from 1 January 2022 to 30 June 2022 before being appointed the CEO.

Law Boon Eng

Malaysian, male, 67 years of age

Mr Law Boon Eng was promoted to Group Director of the Lion Group on 1 August 2024 while upholding his position as the CEO of the Group’s retail operations in Malaysia which he assumed on 1 June 2023.

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 and assumed the position of the COO from October 2015 to May 2023. 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, 52 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 and was redesignated the CEO on 1 February 2025, 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 ("COI") or potential COI, including interest in any competing business with the Company or its subsidiaries; 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 2024. 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.

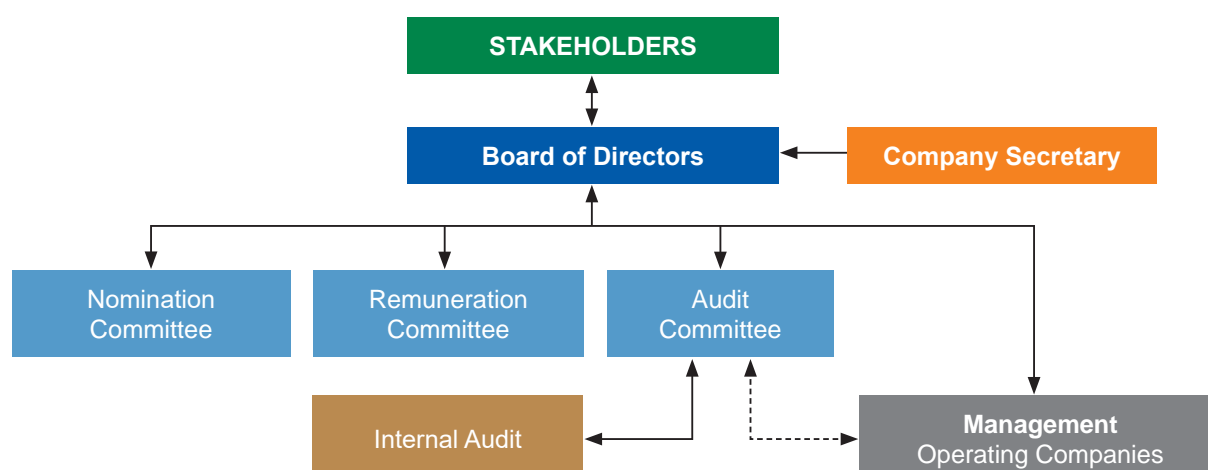
In its deliberation and review of the CG Overview Statement, the Board is satisfied that the practices set out in the MCCG, in all material respects, have been applied to achieve the intended outcomes for the financial year under review except for the following practices:

- Practice 1.3 : Positions of Chairman and Chief Executive Officer are held by different individuals.
- Practice 5.9 : The board comprises at least 30% women directors.
- 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 2024.

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, 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 49 to 69 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. Following the retirement of an independent Director at the conclusion of the 40th Annual General Meeting of the Company held on 29 May 2024, a new independent Director had been appointed during the financial year. Hence, the Board currently 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 COI 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. None of the independent Directors has served on the Board for a cumulative term of more than 9 years.

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.

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. The Board currently has a woman Director.

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 40 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.

Time Commitment

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 ("MAP") Part I in relation to a director's roles, duties and liabilities as required by Bursa Securities. Bursa Securities also requires Directors to attend MAP Part II which aims to provide directors with the foundation to address sustainability risks and opportunities effectively, and a better oversight over the company's material sustainability matters. Accordingly, 3 Directors of the Company had attended the MAP Part II during the financial year and another in January 2025, while the remaining 2 Directors will attend in due course.

The Directors are kept up-to-date with market developments and relevant requirements covering corporate governance, regulatory compliance, 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 which also serves as a platform to establish effective channel of communication and interaction with Management. Y. Bhg. Dato' Eow Kwan Hoong who was appointed during the financial year, had attended a familiarisation programme where the Company Secretaries had briefed on the statutory and regulatory requirements, and responsibilities as a Director, while key senior management had briefed on the core businesses and operations of the Group.

During the financial year, the Directors had attended the following webinars, seminars, workshops and other training programmes including the MAP Part II (collectively referred to as the "Programmes") on topics in relation to board leadership and ethics; corporate governance; business opportunities, investment and prospects in various industries; risk management and internal controls; statutory and regulatory updates and requirements; financial and accounting knowledge and updates; sustainability covering ESG; fraud and cyber security risks; and integrity, anti-bribery and corruption:

Name of Directors	Programme
Tan Sri Cheng Heng Jem	<ul style="list-style-type: none"> Bursa Malaysia – Conflict of Interest ("COI") and Governance of COI
Cheng Hui Yen, Natalie	<ul style="list-style-type: none"> ICDM – Mandatory Accreditation Programme Part II: Leading for Impact (LIP) CeDR Corporate Consulting Sdn Bhd – Anti-Bribery and Corruption - Bribery Precaution Refresher Workshop
Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat	<ul style="list-style-type: none"> British American Tobacco (Malaysia) Berhad ("BAT") In-House Directors' Training – Product Update: Vuse Refresher Bursa Malaysia – COI and Governance of COI BAT In-House Directors' Training – Cybersecurity and Data Protection Awareness ICDM – Corporate Liability Provision - Anti Bribery & Corruption Practices to Strengthen Company Integrity

Name of Directors	Programme
Dato' Eow Kwan Hoong	<ul style="list-style-type: none"> ICDM – Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Liew Jee Min @ Chong Jee Min	<ul style="list-style-type: none"> ICDM – Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Bursa Malaysia & ICDM – Board Ethics: Growing Concerns from New Technology, Stakeholder Interests & Conflict Of Interest Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees – Preparing for IFRS Sustainability Disclosure Standards in Malaysia
Ooi Kim Lai	<ul style="list-style-type: none"> Bursa Malaysia – Bursa PLCs Investor Relations Series 14 - Preparing for the IFRS® Sustainability Disclosure Standards in Malaysia Lion Group In-House Training in collaboration with SOCSO – Return to Work (RTW) Programme Workshop Forvis Mazars – Budget 2025 CeDR Corporate Consulting Sdn Bhd – Anti-Bribery and Corruption - Bribery Precaution Refresher Workshop Grant Thornton Malaysia – MFRS 18 Presentation and Disclosure in Financial Statements

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 42 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 2024 are as follows:

	Fees RM'000	Meeting Allowance RM'000	Salaries & Bonuses ⁽¹⁾ RM'000	Benefits- in-kind RM'000	Total RM'000
The Group					
Executive Directors					
Tan Sri Cheng Heng Jem	302	15	2,501	—	2,818
Cheng Hui Yen, Natalie	59	4	477	21	561
Non-executive Directors					
Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat	45	10	—	—	55
Dato' Eow Kwan Hoong ⁽²⁾	27	5	—	—	32
Liew Jee Min @ Chong Jee Min	47	12	—	—	59
Ooi Kim Lai	45	10	—	—	55
Zainab binti Dato' Hj. Mohamed ⁽³⁾	20	6	—	—	26
	545	62	2,978	21	3,606
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
Dato' Eow Kwan Hoong ⁽²⁾	27	5	—	—	32
Liew Jee Min @ Chong Jee Min	47	12	—	—	59
Ooi Kim Lai	45	10	—	—	55
Zainab binti Dato' Hj. Mohamed ⁽³⁾	20	6	—	—	26
	259	51	120	—	430

Notes:

- (1) The salaries are inclusive of employer's provident fund and social welfare contributions.
(2) Appointed on 29 May 2024.
(3) Retired on 29 May 2024.

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 39 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. Following the resignation of the former Group CIA, the appointment of a successor is in progress. In the interim, a Senior Manager is handling the relevant internal audit functions. 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 to 36 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 38 and 39 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. The CoBEC had been reviewed by the Board on 27 February 2024.
- 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.
- 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 Policy that outlines the general principles and fundamentals governing the Group's commitment to sustainability, establishing a foundation for its strategic approach to integrating economic, social and environmental considerations.

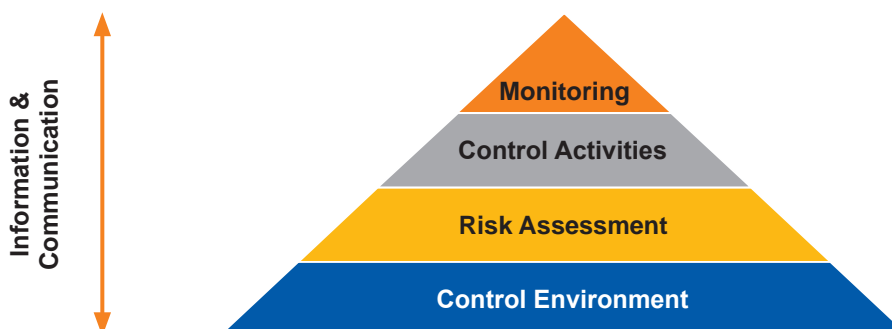
5. Planning, Monitoring and Reporting

- 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 within the audit scope for risk exposures, compliance with approved policies and procedures, adherence to relevant laws and regulations and where applicable, benchmarking against industry best practices.
- The GIA reviews business processes and internal control and risk management system, submitting reports to the AC quarterly. The GIA also conducts follow-up reviews to ensure effective implementation of internal audit recommendations.
- 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) through the signing off of the Risk Management and Internal Control – Self-Assessment Questionnaire (RMIC-SAQ) on an annual basis.

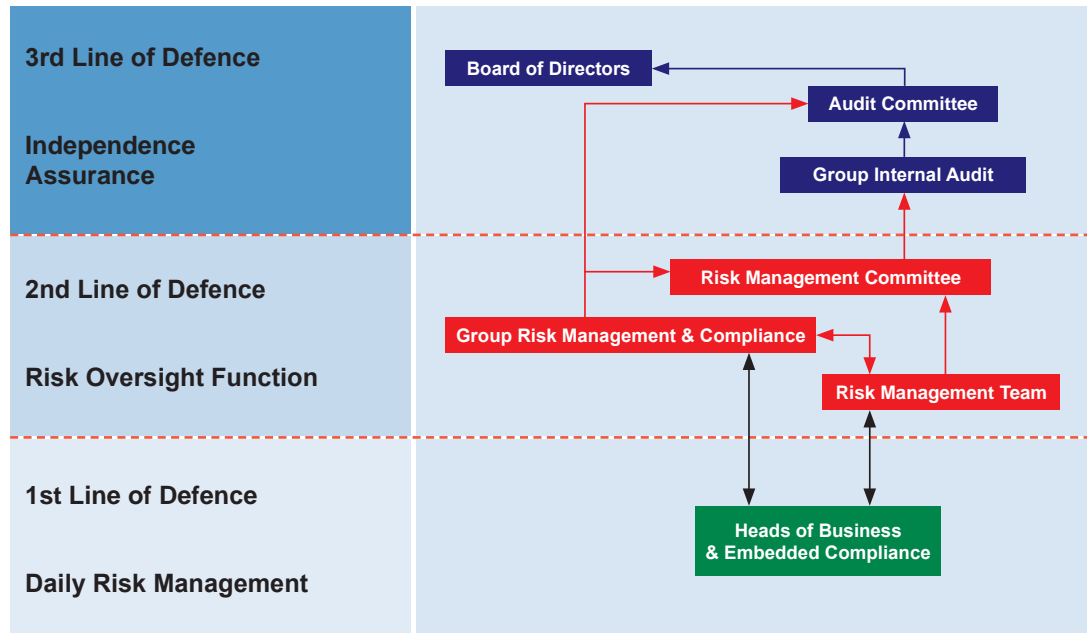
- The GIA assesses and reports on the adequacy and effectiveness of the Group's governance, risk management, and internal control systems in accordance with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework. The following 5 inter-related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



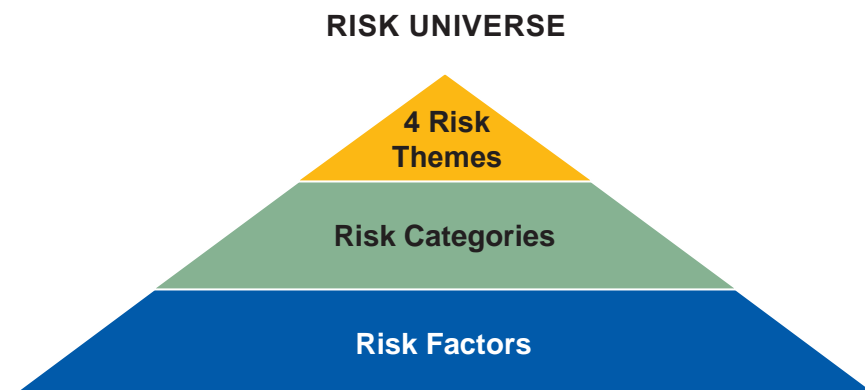
7. Risk Management

- 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

- The Group has established an Occupational Safety and Health (OSH) Committee to support the implementation of safety obligations under the Occupational Safety and Health (Amendment) Act 2022, effective 1 June 2024.
- The OSH Committee plays a key role in promoting safety and health awareness, identifying potential risks, continuously communicating with operating companies, recommending precautionary measures to ensure the safety, health, and welfare of employees, and proactively addressing the increased penalties for safety violations.
- The Group has also established 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.

- 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 health-related emergencies;
 - (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 had provided and shall continue to provide Cyber Security Awareness and related initiatives 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 2024, 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 2024.

COMPOSITION

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

- Members**

Mr Liew Jee Min @ Chong Jee Min
(Elected as the Chairman on 28 August 2024)
(*Chairman, Independent Non-Executive Director*)

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

Y. Bhg. Dato' Eow Kwan Hoong
(Appointed as a member on 29 May 2024)
(*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 fulfil 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.

ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year under review, 4 Audit Committee Meetings were held. While Y. Bhg. Dato' Eow Kwan Hoong attended the remaining 2 Meetings held subsequent to his appointment, the other members attended all the 4 Meetings held during the financial year.

The Chief Accountant was present at all the Meetings. While the Group Chief Internal Auditor has not been appointed, 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 material accounting policies and compliance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, provisions of the Companies Act 2016 and requirements under the Listing Requirements; 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 material accounting policies had been implemented; Malaysian Financial Reporting Standards, IFRS Accounting Standards, 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 quarterly reports 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; and the measures taken to resolve, eliminate, or mitigate such conflicts.

The Code of Business Ethics and Conduct was enhanced in March 2024 to include additional provisions on COI and potential COI requirements and disclosures by employees, Directors and Key Senior Management. 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 which include:

- Business decisions involving related parties are subject to review and approval by an independent authorised personnel member to ensure transparency in decision-making.
- Relationships and transactions are disclosed in accordance with the Listing Requirements.
- A Whistleblower Policy is implemented to provide a mechanism for employees, customers, suppliers, or third parties to report any misconduct by the management of the Group.

Below is a summary of potential COI situations disclosed by Directors and measures taken to mitigate thereon:

- (1) Y. Bhg. Tan Sri Cheng Heng Jem (“TSWC”), the Chairman and Managing Director of the Company, has substantial interest in the Company and is deemed to be interested in the subsidiaries of the Company. He also has interest in companies which conduct similar businesses with the Group in the following areas where potential COI may arise:

Business of the Group	Nature and Extent of Interest	Potential COI and Measures taken to mitigate
Retail businesses, e.g. cosmetic and related products, fashionable goods, food and beverage, etc. and operation of department stores.	<ul style="list-style-type: none"> • TSWC is the Chairman and a substantial shareholder of Lion Posim Berhad, the holding company of a company involved in beauty and fashion products (“B&F Company”). • TSWC’s daughters, Ms Cheng Hui Yen, Natalie and Ms Cheng Hui Ya, Serena are directors of the B&F Company. 	<p>The B&F Company specialises in beauty and fashion products. This affiliation raises a potential COI, given the possibility of competition in the supply of beauty and fashion products within Parkson stores, particularly those offered on consignment.</p> <p>To mitigate this risk, the Group has established measures to enhance transparency including mandating disclosures and requiring approvals for transactions involving related parties.</p>

Business of the Group	Nature and Extent of Interest	Potential COI and Measures taken to mitigate
Retail businesses, e.g. cosmetic and related products, fashionable goods, food and beverage, etc. and operation of department stores.	<ul style="list-style-type: none"> TSWC's spouse, Y. Bhg. Puan Sri Chan Chau Ha @ Chan Chow Har ("PSC") who is the Senior Advisor of Parkson Malaysia is a director of a company specialising in the distribution and retailing of Korean skincare products ("KSC Company"). 	<p>The KSC Company engages in the distribution and retailing of Korean skincare products primarily through consignment arrangements at department stores, including Parkson stores.</p> <p>All business decisions involving related party are subject to review and approval by an independent authorised personnel member. This process ensures transparency and integrity in decision-making.</p>
	<ul style="list-style-type: none"> TSWC's spouse and daughter, Ms Serena Cheng, are directors and shareholders holding 100% equity interest in a food and beverage ("F&B") company ("F&B Company") in which TSWC has a substantial deemed interest. 	<p>The F&B Company operates a café within a Parkson store as part of its F&B segment. This arrangement may give rise to potential COI, particularly regarding the ability to secure favourable business terms within the store.</p> <p>To address this concern, all business agreements are subject to review and approval by an independent authorised personnel member to ensure compliance with stringent governance protocols, thereby mitigating the risk of any potential COI.</p>

- (2) Ms Cheng Hui Yen, Natalie, the Executive Director of the Company and the Merchandising Director of Parkson Malaysia, is also the daughter of TSWC and PSC, and sister of Ms Serena Cheng and Ms Cheng Hui Yuen, Vivien, an Executive Director of Parkson Retail Asia Limited and General Manager of Business Development (Parkson Branding Division).

Due to the family relationship, potential COI may occur in the companies disclosed by TSWC in item (1) above.

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

- (h) 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.

- (i) 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.
- (j) Approved an annual budget for the Internal Audit Function to effectively carry out its audit plan.
- (k) 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 the Malaysian Accounting Standards Board, 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 published by the External Auditors, 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 audit planning and audit review of the financial results.

- **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.

Following the resignation of the former Group Chief Internal Auditor, the appointment of a successor is in progress. In the interim, a Senior Manager from the GMA Department is carrying out relevant internal audit functions and overseeing audit assignments.

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 4 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 conflict 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 RM290,557.

NOMINATION COMMITTEE

- Chairman** : Mr Liew Jee Min @ Chong Jee Min
(Independent Non-Executive Director)
- Members** : Y. Bhg. Dato' Eow Kwan Hoong
(Appointed on 29 May 2024)
(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 twice since the date of the last Annual Report and all the members attended the Meetings.

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

- (i) Assessed and recommended for Board's consideration, the appointment of Y. Bhg. Dato' Eow Kwan Hoong as an independent non-executive Director, and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company.
- (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 the independent non-executive Directors and their ability to act in the best interests of the Company and the minority shareholders of the Company.

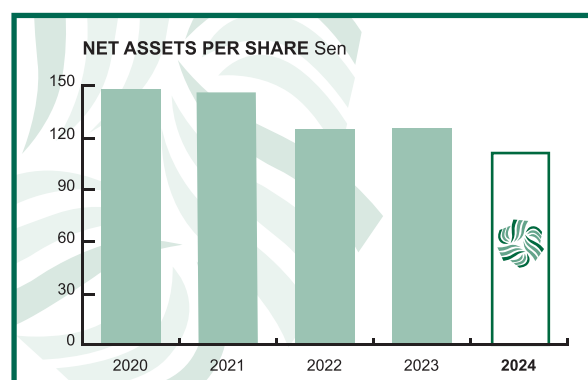
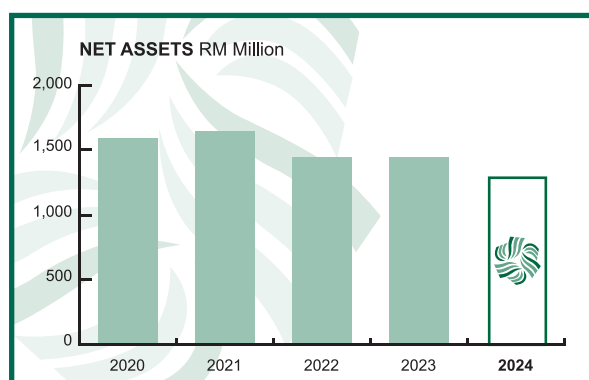
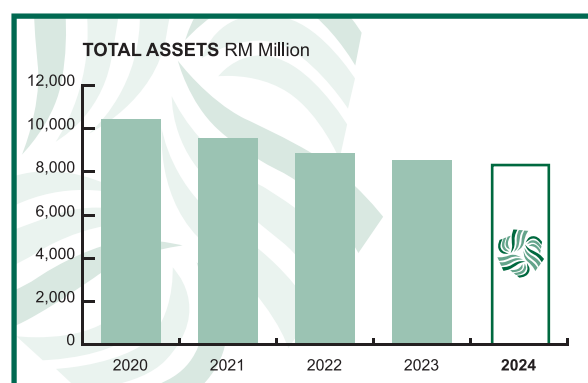
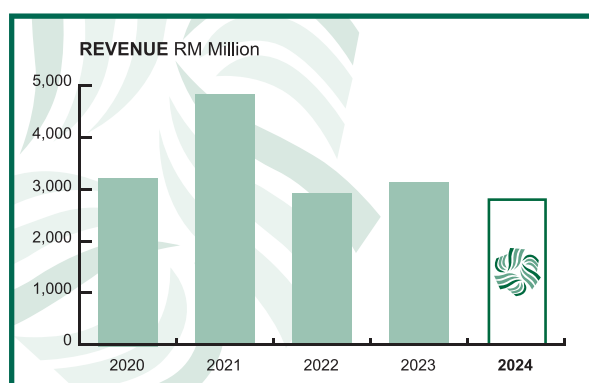
- (iii) Reviewed the departure from the recommended practice under the Malaysian Code on Corporate Governance of separating the functions of the Chairman and the Managing Director, and considered it appropriate under the present circumstances.
- (iv) Reviewed the term of office and performance of the 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 Ms Cheng Hui Yen, Natalie and Mr Liew Jee Min @ Chong Jee Min, and the retirement of Y. Bhg. Dato' Eow Kwan Hoong who was appointed during the financial year, and having satisfied that they had discharged their duties and responsibilities effectively at all times, recommended their re-election for Board's consideration, which shall be tabled for approval of the Shareholders at the forthcoming 41st Annual General Meeting of the Company.
- (vi) 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.
- (vii) Approved and recommended for Board's consideration the Nomination Committee Report incorporating the Nomination Committee's activities for inclusion in the 2024 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) Y. Bhg. Dato' Eow Kwan Hoong (Appointed on 29 May 2024) (Independent Non-Executive Director)
Terms of Reference	:	<ul style="list-style-type: none">• 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 2020	18 months ended 31 December 2021	12 months ended 31 December		
				2022	2023	2024
Gross sales proceeds	(RM'000)	7,923,499	11,715,225	7,046,841	7,370,013	6,478,044
Revenue	(RM'000)	3,251,152	4,845,309	2,922,581	3,125,907	2,805,074
Profit/(loss) before tax	(RM'000)	(552,122)	(30,596)	(161,473)	100,435	(72,214)
Profit/(loss) after tax	(RM'000)	(627,248)	(129,931)	(192,243)	28,928	(127,189)
Net loss attributable to owners of the parent	(RM'000)	(436,354)	(101,800)	(109,665)	(19,186)	(102,028)
Total assets	(RM'000)	10,455,546	9,544,301	8,859,509	8,525,947	8,317,857
Net assets	(RM'000)	1,586,944	1,644,742	1,438,464	1,435,353	1,280,888
Total borrowings	(RM'000)	2,031,366	1,390,235	1,738,850	1,739,945	1,827,646
Loss per share	(Sen)	(40.9)	(9.5)	(9.6)	(1.7)	(8.9)
Net assets per share	(Sen)	149	147	125	125	111



THE GROUP'S BUSINESSES



- Parkson celebrated the grand relaunch of Parkson Sunway Carnival in Seberang Jaya, Penang on 29 August 2024.



- Mianyang Guanhua Supermarket, China.
- Kunming Nanya Supermarket, China.



- Parkson Credit celebrated its 10th Anniversary.
- Range of products from Hogan Bakery.

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

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.

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 41 department stores in 27 cities across China; and Parkson Retail Asia Limited listed on the Singapore Exchange Securities Trading Limited, that operates 37 department stores in Malaysia.

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

As at 31 December	Number of Department Stores	
	2024	2023
Malaysia	37	37
China	41	43
	78	80

OVERVIEW

	2024 RM Million	2023 RM Million	Change
Consolidated Statement of Profit or Loss			
<u>Continuing operations</u>			
Gross sales proceeds	6,478	7,360	-12%
Revenue	2,805	3,122	-10%
Operating profit	416	512	-19%
(Loss)/profit before tax	(72)	115	->100%
Consolidated Statement of Financial Position			
Total assets	8,318	8,526	-2%
Deposits, cash and bank balances	1,395	1,495	-7%
Total liabilities	6,142	6,108	1%
Total borrowings	1,828	1,740	5%
Net assets	1,281	1,435	-11%

For the financial year ended 31 December 2024 ("FYE 2024"), the Group generated a lower gross sales proceeds of RM6,478 million with revenue decreasing by 10% to RM2,805 million. This was primarily due to cautious and selective discretionary spending by consumers across the Group's retailing regions. Several external factors including inflationary pressures and rising cost of living, have affected consumer behaviour.

As a result, the Group recorded a lower operating profit of RM416 million as compared with RM512 million last year. For the FYE 2024, the Group reported a loss before tax of RM72 million, which included impairment losses on assets totalling RM194 million.

As at 31 December 2024, the Group's total assets decreased by 2% to RM8,318 million which included the currency translation effects from the weakening of the Renminbi, as well as impairment losses, depreciation and amortisation. The lower deposits, cash and bank balances of RM1,395 million was mainly due to lower net cash inflows generated from the Group's operating activities. Total liabilities increased marginally by 1% to RM6,142 million. The Group's borrowings rose by 5% to RM1,828 million as a result of net proceeds from new banking facilities. Net assets of the Group stood at RM1,281 million or RM1.11 per share (31.12.2023: RM1,435 million or RM1.25 per share).

REVIEW OF OPERATIONS

Malaysia

	Financial year ended 31 December	
	2024	2023
Number of department stores	37	37
Revenue (RM Million)	745	769
Segment profit (RM Million)	171	191

For the FYE 2024, the Group's retailing operations in Malaysia faced a challenging environment, largely driven by cautious and selective discretionary spending by consumers due to inflationary pressures and rising cost of living. Furthermore, the closure of two department stores in the previous financial year had led to reduced contribution from our store network, resulting in lower revenue and operating profit of RM745 million and RM171 million respectively for the financial year under review.

The Group operates 37 Parkson department stores in Malaysia as at 31 December 2024. Despite the prevailing economic environment, the Group remains committed to exploring growth opportunities, including the expansion of its store network, while investing in stores renovation to enhance the overall shopping experience for its customers. The relaunch of *Parkson Sunway Carnival* in Penang with a new and revitalised look and ambience during the year is expected to enliven and attract more visitors to the area.

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.

China

	Financial year ended 31 December	
	2024	2023
Number of department stores	41	43
Revenue (RM Million)	1,950	2,278
Segment profit (RM Million)	205	317

For the FYE 2024, Parkson China recorded a lower revenue of RM1,950 million compared with RM2,278 million a year ago, as consumers became more cautious with their spending. Operating profit decreased to RM205 million, compared with RM317 million in the previous year.

During the FYE 2024, Parkson China opened two Parkson supermarkets, namely *Mianyang Guanhua Supermarket* and *Kunming Nanya Supermarket*, in efforts to expand its business scope. Plans are in the pipeline to open new stores in Datong City and Mianyang City, where the Group has established itself, in order to serve a broader range of customers. In 2024, Parkson China made the strategic decision to close one department store each in Lanzhou City and Suzhou City as part of its ongoing evaluation of the performance and viability of its existing stores. As at 31 December 2024, the Group has a network coverage of 41 department stores in 27 cities across China.

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.

Others

	Financial year ended 31 December	
	2024	2023
Revenue (RM Million)	110	75
Segment profit (RM Million)	40	4

Results of this Division were mainly derived from the consumer financing business, operation of F&B business and investment holding. For the FYE 2024, the Group's consumer financing business continued to show improvements in both revenue and operating profit whilst the bakery operation experienced an increase in visitor traffic compared to the previous year. Segment profit for the FYE 2024 included foreign exchange gain of RM3 million (FYE 2023: Included foreign exchange loss of RM10 million), primarily related to the Group's borrowings that were denominated in the United States Dollar.

Parkson Credit, the Group's consumer financing arm, has established itself as one of the leading motorcycle financiers in Malaysia as it celebrated its 10th anniversary in November 2024. Specialising in providing credit financial services such as purchasing products via instalment payments to customers through its financial technology platform, the operations posted a revenue of approximately RM100 million with an operating profit of RM60 million. *Parkson Credit* remains committed to maintaining stringent credit controls over underperforming/non-performing loan receivables while expanding its market presence in response to the increasing demand for its financing services. The successful launch of its RM1.0 billion asset-backed Islamic medium term note programme in December 2024 marks a significant milestone, paving the way for accelerated business expansion.

Visitor traffic at our *Hogan* bakery outlets showed positive growth during the financial year under review. The Group continues to prioritise its efforts to further enhance 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 2024 (“FY2024”).

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 41 department stores (including “Parkson Beauty” concept stores and Parkson Newcore City Malls), 1 Lion Mall, supermarkets, fashion, and F&B outlets in 27 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 Company’s operations in Malaysia namely Parkson department 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 Company is working to adopt the recommendations of the IFRS Sustainability Disclosures Standards and the National Sustainability Reporting Framework (“NSRF”), and will continue to improve its disclosures to align with best practice reporting standards.

AVAILABILITY AND FEEDBACK

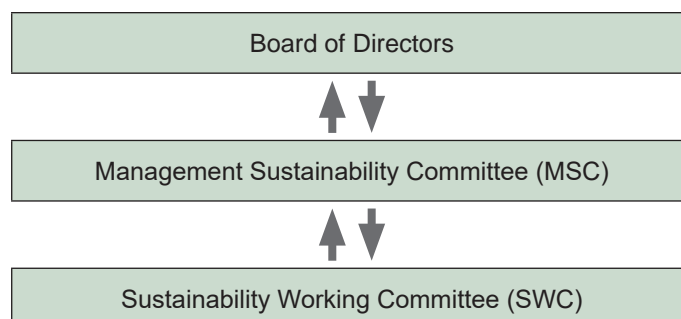
The Sustainability Statement is available on the Company’s website at www.lion.com.my/parkson and Lion Group’s website at www.lion.com.my as part of the Company’s FY2024 Annual Report. We welcome our stakeholders to share their feedback regarding this Statement and the topics discussed.

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 Company 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 Company.

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. The 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 Company complies with all relevant corporate governance laws and regulations and follows best practices. By upholding high standards of corporate governance, we aim to ensure long-term success, competitiveness, and sustainability. Details can be found in our Corporate Governance Overview Statement and Statement on Risk Management and Internal Control on pages 13 to 31 of this Annual Report.

STAKEHOLDERS ENGAGEMENT

Engaging with stakeholders is crucial to understanding their expectations. We value their feedback, assessments, and insights as essential to shaping our sustainability strategies and initiatives. Through regular formal and informal engagements, we continuously refine our approach. These interactions help us identify key issues, uncover opportunities, and manage risks, enabling us to respond effectively to stakeholder needs.

Key Stakeholders	Area of Interest	Engagement Platforms	Our Response
Employees	<ul style="list-style-type: none"> Health, safety and well-being Learning and development Respect and recognition Job satisfaction Pay and benefits 	<p>Ongoing</p> <ul style="list-style-type: none"> Meetings Training programmes Internal newsletter New employee induction programme Staff gatherings and other engagement channels <p>Quarterly</p> <ul style="list-style-type: none"> Internal newsletter <p>Annually</p> <ul style="list-style-type: none"> Performance appraisals 	<ul style="list-style-type: none"> Training and upskilling opportunities for professional and personal development Merit-based evaluation and career growth pathways

STAKEHOLDERS ENGAGEMENT (continued)

Key Stakeholders	Area of Interest	Engagement Platforms	Our Response
Customers	<ul style="list-style-type: none"> Price promotion Convenience and experience Engaging, knowledgeable personnel Responsible financing 	Ongoing <ul style="list-style-type: none"> Face-to-face interaction through service channels Communication through Marketing Department, Customer Service Department and Corporate Communications Department Feedback through website, email, social media platform Sales, promotions, road shows and related events In-store information 	<ul style="list-style-type: none"> Offer comprehensive range of products that meet customers' requirements Ethical and professional business practice
Shareholders and Investors	<ul style="list-style-type: none"> Good governance Sustainable business growth Disclosure and transparency 	As Needed <ul style="list-style-type: none"> Investor relations channel and meetings Quarterly <ul style="list-style-type: none"> Financial reports and announcements Annually <ul style="list-style-type: none"> Annual General Meeting Annual Report 	<ul style="list-style-type: none"> Timely updates on the Company's announcements Uphold good governance practices across the business units and supply chain
Local Communities	<ul style="list-style-type: none"> Responsible corporate citizen Support for social causes Creation of job opportunities 	Ongoing <ul style="list-style-type: none"> Activities and sponsorships organised by the Company and Lion-Parkson Foundation As Needed <ul style="list-style-type: none"> Job vacancies advertisement 	<ul style="list-style-type: none"> Support community initiatives/ programmes through contributions and other forms of assistance
Media	<ul style="list-style-type: none"> Response to media enquiries and requests for interviews Long term engagement 	As Needed <ul style="list-style-type: none"> Media releases, media statements and interviews Advertisements Media invitations and sponsorships 	<ul style="list-style-type: none"> Transparency in communications Timely and accurate information on corporate, industry, and business developments
Industry Associations	<ul style="list-style-type: none"> Support for mutual interests 	As Needed <ul style="list-style-type: none"> Meetings and events 	<ul style="list-style-type: none"> Participate in meetings/discussions and/or events

MEMBERSHIP AND ASSOCIATIONS

- 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

AWARDS

- Parkson received the ‘Certificate of Merit’ for the MRA Best Marketing Campaign 2024 in recognition of its “Think Green, Act Green” campaign, highlighting its commitment to sustainability and innovative event marketing.
- The Parkson Transformation Team was recognised by IGDS as one of the “World’s Best Teams 2023” (Top 10) for its innovative approach in creating a productive, efficient, and sustainable working environment.

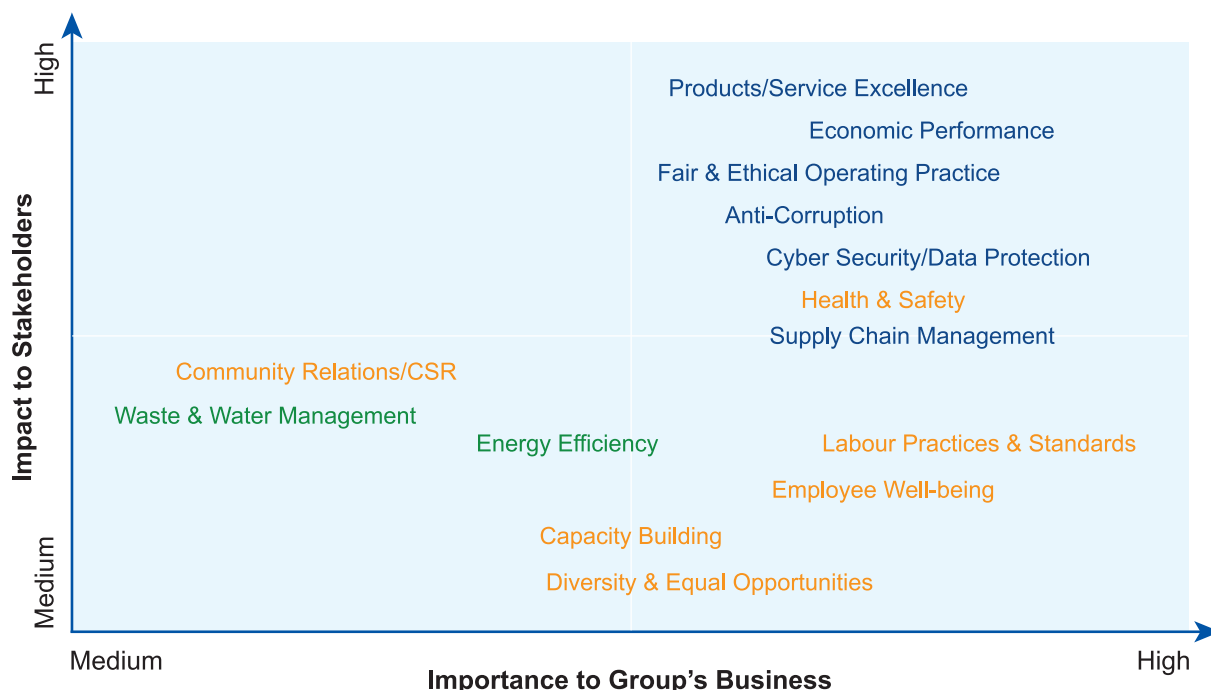
MATERIAL MATTERS

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

The Company conducts its materiality assessment every three years and undertakes an annual review of the identified material matters. This process ensures that the Company remains aligned with the evolving expectations of stakeholders, regulatory requirements, and industry trends, while maintaining a proactive approach to sustainability and corporate responsibility.

Economic	Environmental	Social
<ul style="list-style-type: none"> • Economic Performance • Fair & Ethical Operating Practice • Product/Service Excellence • Anti-Corruption • Cyber Security/Data Protection • Supply Chain Management 	<ul style="list-style-type: none"> • Energy Efficiency • Waste & Water Management 	<ul style="list-style-type: none"> • Employee Well-being • Health & Safety • Capacity Building • Diversity & Equal Opportunities • Labour Practices & Standards • Community Relations/CSR

MATERIALITY MATRIX





Indicators :










CONTRIBUTION TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UNSDGs”)

We are committed to supporting the UNSDGs and the following outlines our efforts during the year under review:

UNSDGs	Description	Our Approach
	Goal 1: No Poverty End poverty in all its forms anywhere	<ul style="list-style-type: none"> 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
	Goal 3: Good Health and Well-being Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> 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

CONTRIBUTION TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UNSDGS”) (continued)

UNSDGs	Description	Our Approach
	<p>Goal 4: Quality Education</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> • Provide scholarships to undergraduates pursuing their first degree locally • Promote employee development programme
	<p>Goal 5: Gender Equality</p> <p>Ensure full participation in leadership and decision-making</p>	<ul style="list-style-type: none"> • 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
	<p>Goal 8: Decent Work and Economic Growth</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> • 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
	<p>Goal 12: Responsible Production and Consumption</p> <p>Substantially reduce waste generation</p>	<ul style="list-style-type: none"> • Encourage 3R (reduce, reuse, recycle) activities to reduce waste generation
	<p>Goal 13: Climate Action</p> <p>Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> • Compliance with all applicable statutory and regulatory requirements.
	<p>Goal 16: Peace, Justice and Strong Institutions</p> <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> • 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 • Whistleblower Policy
	<p>Goal 17: Partnership for the Goals</p> <p>Encourage and promote effective partnerships, building on the experience and resourcing strategies of partnerships</p>	<ul style="list-style-type: none"> • Collaborate with regulators, industry players and community development programme partners

KEY SUSTAINABILITY MATTERS

ECONOMIC

Ensuring economic sustainability remains a key priority for achieving 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

We are dedicated to creating meaningful employment opportunities and supporting economic development. Through the jobs generated within our operations and related industries, along with the taxes we contribute, we play a vital role in driving positive and significant impacts on the broader economy.

RM'000	2023	2024
Revenue	3,125,907	2,805,074
Profit/(loss) after tax	28,928	(127,189)
Net loss attributable to owners of the parent	(19,186)	(102,028)

Note: Further information on Economic Performance can be found in the 5 Years Group Financial Highlights on page 43 and Financial Statements section of the 2024 Annual Report.

• 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 business adheres 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 conducting business responsibly means going beyond mere compliance with laws and regulations. Our commitment is to uphold high ethical standards that exceed societal expectations, ensuring fairness and equity in all endeavours. By offering products and services that meet customer expectations, we demonstrate a fair and responsible approach that balances the interests of both customers and our business.

Building trust with stakeholders, including shareholders, investors, customers, suppliers, local communities, and employees, is essential to our success. We pledge to disclose diverse information transparently to promote clear understanding of our business and corporate activities. We uphold fair competition practices, ensuring non-favouritism in our dealings with public authorities and providing suppliers with equal opportunities to compete based on the overall value they bring to the Company.

In our commitment to fair marketing practices, we prioritise clear and transparent communication with customers. As a financial service provider, Parkson Credit ensures that consumers receive fair contract terms, reflecting our dedication to responsible business conduct.

- **Anti-Corruption**

The Company is committed to promoting a culture of integrity through awareness campaigns and regular communications. We require all employees to comply with our Anti-Bribery and Corruption Policy (“ABC Policy”), ensuring that our business is conducted ethically, responsibly, and transparently. Directors and employees are also required to complete an annual e-declaration on Conflict of Interest and acknowledge their understanding of the ABC Policy to confirm compliance.

We encourage all stakeholders to report any suspected wrongdoings which may involve or concern our directors, management, employees, or actions that could affect our performance, relations with other stakeholders, assets, or reputation. Whistleblowers will be assured of confidentiality, with their identity protected unless disclosure is required by law.

Corruption-related Training

In FY2024, only 25.12% of employees completed the necessary anti-corruption training, compared to 75.95% in FY2023. This significant decline in attendance rates highlights the need for the Company to take proactive measures to ensure all employees prioritise and complete the anti-corruption training.

To improve participation, the Company is exploring online training, strengthening compliance tracking, and enhancing engagement efforts such as targeted reminders and interactive training sessions. These measures will reinforce its commitment to anti-corruption compliance and ensure all employees fulfill their training obligations.

Operations Assessed for Corruption-related Risks

In FY2024, we conducted corruption risk assessments across all our operations, with 100% of them undergoing the evaluation.

Corruption Incidents

As of 31 December 2024, we recorded zero incidents of corruption across our business operations.

Percentage (%)	2023	2024
Corruption Related Training		
- Executive	82.31	32.87
- Non-Executive	73.52	22.08
Operations Assessed for Corruption-related Risks	100	100
Corruption Incidents	ZERO	ZERO

- **Cyber Security/Data Protection**

We are committed to maintaining the confidentiality and security of customers’ and stakeholders’ information in compliance with the Personal Data Protection Act 2010. Information regarding our vendors, suppliers, and customers is handled with strict privacy and confidentiality at all times.

We actively educate our employees on data protection and privacy through knowledge-sharing initiatives, including brief learning emails and articles in our corporate newsletter. These cover essential topics such as information security fundamentals, online scams, cyber espionage, malware, and ransomware. Our primary goal is to raise awareness about the importance of protecting sensitive information, thereby reducing potential threats and security breaches that could 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.

	2023	2024
Substantiated Complains Concerning Breaches In Customer Privacy Or Data Loss	ZERO	ZERO

• Supply Chain Management

Our procurement department is dedicated to ensuring responsible procurement practices, reinforced by the requirement for all active registered vendors to periodically acknowledge their commitment to our Vendor Code of Conduct. Vendor qualifications and credentials are thoroughly vetted before being added to our list of approved suppliers. From the supplier selection process onward, we incorporate sustainability considerations, such as fair labour practices and safety requirements.

To maintain transparency and accountability, we conduct audits and continuously improve our procurement processes and policies, including reassessment of procurement contracts. We also prioritise sourcing products and services locally whenever feasible, recognising its advantages such as cost efficiency, timely delivery, lower carbon emissions, and support for the local economy.

Local Suppliers

In FY2024, we remained committed to prioritising local sourcing, with 99.67% of our procurement expenditure directed towards supporting local suppliers. The increase in spending highlights our dedication to sourcing locally, ensuring cost efficiency, reducing our environmental impact, and fostering the growth of local businesses. As we continue to evaluate and evolve our procurement practices, we aim to sustain and expand these efforts, driving even greater sustainability and economic impact.

	2023	2024
Spending on Local Suppliers (%)	98.03	99.67

• Customer Satisfaction

Customer support and loyalty are critical to the success of our business. Therefore, we prioritise placing customers at the forefront of everything we do, striving to provide safe, ethically sourced quality products as well as premium, value-added services.

To uphold these standards, we incorporate product knowledge and service skills training into our routine programmes, ensuring employees deliver exceptional service to our customers.

Parkson fosters long-lasting relationships with its customers through various initiatives, including engagement and sharing sessions, as well as loyalty programs designed for Parkson Card and BonusLink members, and in-store shoppers.

Recognising the importance of customer interaction, we prioritise engagement through multiple feedback channels to continuously enhance our service quality and customer satisfaction. Our diverse touchpoints include customer care desks, phone support, social media platforms such as Facebook and WhatsApp, email, and messaging applications to our Customer Service Department. These avenues ensure that customers can share their feedback or lodge complaints with ease, reinforcing our commitment to delivering exceptional customer experiences.

• Parkson Card Loyalty Programme

Our Parkson Card loyalty programme enables us to craft targeted promotions and events tailored to the preferences of our members. This program is further enhanced by its cross-border acceptance in countries where Parkson operates, offering members seamless benefits wherever they shop within our network.

Supported by a diverse range of merchant partners, the Parkson Card provides exclusive discounts ranging from 5% to 6%, depending on membership tiers. These cross-border privileges underscore our commitment to delivering value and convenience to our members. As at 31 December 2024, we have a total of 2.33 million Parkson Card members.

	2023	2024
Parkson Card Members	2.29 million	2.33 million

ENVIRONMENTAL

The Company is committed to sustainable development, striving to minimise environmental impact through proactive measures and adherence to the 3R principles: Reduce, Reuse, and Recycle. Employees are encouraged to adopt 'Responsible Consumption' by using materials, energy, and resources sustainably. Initiatives include reducing energy and water usage, minimising paper consumption with recycled materials, and limiting single-use plastics.

Climate Action and Environmental Goals

Aligned with the Malaysian Government's commitment to addressing climate change and achieving Net Zero greenhouse gas (GHG) emissions by 2050, the Company has set interim reduction targets, and will revise these targets in accordance with the relevant standard.

	Area	Target	Plan
1	GHG Emissions	Achieve a reduction in GHG emissions intensity and total emissions annually.	<ul style="list-style-type: none"> Collaborate with suppliers/vendors to reduce emissions in transportation. Improve fleet efficiencies and optimise route.
2	Energy Consumption	Decrease energy consumption to improve operational efficiency. <ul style="list-style-type: none"> Lower energy consumption annually. Reduce energy consumption by 15% from the FY2024 baseline by 2030. Reduce by 50% from the FY2024 baseline by 2050. 	<ul style="list-style-type: none"> Retrofit stores and offices with energy-efficient lighting. Deploy smart energy management systems in new or remodelled stores, and in all operations. Promote employee energy-saving initiatives.
3	Waste Reduction	Reduce waste sent to landfill annually.	<ul style="list-style-type: none"> Implement circular economy practices. Reduce, reuse and recycle packaging. Collaborate with local municipalities or recycling organisations for waste diversion. Instill the 3R culture amongst employees to minimise waste.
4	Water Conservation	Reduce water consumption to conserve resources. <ul style="list-style-type: none"> Reduce water consumption annually. Reduce water consumption by 15% from the FY2024 baseline by 2030. Achieve a 50% reduction by 2050. 	<ul style="list-style-type: none"> Optimise and evaluate water use system. Promote water saving habits among employees.

• Energy Efficiency

We prioritise energy conservation across all aspects of our operations, embedding energy-saving practices into our workplace culture. Employees are encouraged to adopt simple yet effective habits, such as switching off lights, air conditioners, and office equipment when not in use, and promote use of natural daylight where possible, such as having windows and skylights.

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 35% to 45% savings in energy consumption.

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. We will collaborate with mall operators on adopting green energy in our stores.

For FY2024, an increase of 5.48% in total energy consumption was recorded compared to FY2023.

	2023	2024
Total Energy Consumption (Megawatts)	43,257.85	45,626.47

• Water and Waste Management

While the Company’s operations do not involve significant water usage, we recognise water as a precious resource and encourage employees to use it responsibly.

In our department stores, the primary waste streams include cardboard, paper, and plastic, while our offices predominantly generate paper waste. We are dedicated to recycling these materials to minimise landfill contributions. As we continue to embrace digitalisation, our reliance on paper has decreased significantly, aligning with our efforts to adopt sustainable practices for a better future.

Our F&B operation uses eco-friendly, minimalist packaging made from natural materials that are biodegradable and compostable, helping to reduce our environmental footprint.

It’s important to note that, as tenants in shopping malls and office buildings, water and waste management responsibilities fall on the landlord. However, we regularly promote water conservation to employees through awareness reminders, and encouraging them to reduce water usage and report leaks promptly.

For FY2024, the total water consumed has increased approximately 6%, highlighting the need for enhanced conservation efforts.

Water Management	2023	2024
Total Water Consumed (Megalitres)	130.74	138.58

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

While maintaining high-quality service, we also strive to provide a green and low-carbon shopping and dining experience for our customers. We continuously explore eco-friendly alternatives in our daily operations, such as implementing energy-efficient products and processes, along with adopting 5S and 3R management techniques.

In line with Parkson's 'Think Green, Act Green' initiative, the distribution of bags has been discontinued, and customers are encouraged to bring their own reusable shopping bags. To further promote sustainability, Parkson has set up Reusable Bag Community Stations in select stores, allowing shoppers to donate spare reusable bags for others to use, fostering a shared commitment to eco-conscious living.

Additionally, Parkson has organised events to educate employees about the importance of the 3R principles, demonstrating its dedication to environmental sustainability.

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**

The Company is dedicated to creating a workplace where employees feel valued, secure, and empowered to express themselves. By emphasising engagement and open communication, we foster a positive, productive, and inclusive environment.

To enhance employee engagement, we organise various initiatives such as town-halls, "lunch & learn" sessions, festive open houses, and sports and recreational activities. These efforts address both professional and social needs, promoting a healthy work-life balance, which is key to attracting and retaining talent.

Additionally, the Company provides employees with the option of Flexible Work Arrangements tailored to the roles and requirements of their jobs. These arrangements empower employees to choose between hybrid work models or flexible work hours, allowing them to better balance their professional and personal needs while maintaining productivity and efficiency.

- **Labour Practices and Standards**

The Company is committed to fostering a productive, safe, and harassment-free workplace, enforcing a zero-tolerance policy toward inappropriate behaviour, including sexual harassment. The Anti-Sexual Harassment Policy and educational posters promote awareness, while the Whistleblower Policy provides a confidential channel for reporting misconduct. The Company is equally committed to ethical labour practices, strictly prohibiting any form of involuntary, forced, or child labour - a standard that extends to our suppliers and business associates.

In FY2024, no incidents of discrimination, harassment, or violations of labour laws or workers' rights were reported, reflecting the Company's dedication to compliance and employee well-being.

	2023	2024
Substantiated Complaints Concerning Human Rights Violation	ZERO	ZERO

• Health & Safety

The health and safety of our employees and customers are vital to our businesses, hence the Company 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 Company 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 FY2024, the number of employees trained on health and safety standards declined by 27.31% due to limited training session capacity, scheduling conflicts with shift-based staff, and increased operational demands that restricted employee availability. Additionally, overlapping training priorities and resource constraints may have contributed to the decrease in participation. Nevertheless, the Company will continue its efforts to foster a safer workplace culture and improve employee well-being.

	2023	2024
Number of Employees Trained on Health And Safety Standards	2,142	1,557

Among the training conducted were:

<ul style="list-style-type: none"> Basic Occupational First Aid, CPR And AED Essential Fire Fighting 	<ul style="list-style-type: none"> Occupational Safety And Health Training Bengkel OSH Coordinator (OSH - C) 	<ul style="list-style-type: none"> OSH Conference 2024 - Moving Towards A Sustainable OSH Self-Regulation
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Work-Related Injuries

Workplace safety remains our highest priority. In FY2024, our LTI percentage remained exceptionally low at 0.0002%, and the LTI rate improved to 0.04, down from 0.05 in FY2023. While any injury is one too many, each incident reinforces our commitment to continuous improvement. We remain focused to strengthening safety protocols and preventive measures to ensure a safe and healthy work environment for everyone.

	2023	2024
Total Hours Worked	4,206,188	15,260,000
Number of Fatalities	ZERO	ZERO
Number of Lost Time Injuries	1	3
Lost Time Incident (LTI) Percentage	0.00002%	0.00002%
LTI Rate *	0.05	0.04

* LTI Rate = (Number of Lost Time Injuries / Total Hours Worked x 200,000)

• Capacity Building

The Company prioritises talent development to cultivate future leaders and strengthen its talent pipeline. Employees are offered learning and development opportunities tailored to their technical, functional, and behavioral competencies, aligning with job requirements and career aspirations.

Training is delivered through on-the-job learning, formal classes, online platforms, and continuing education. The Company encourages employees to pursue upskilling courses and obtain skill certifications, enabling broader job coverage and fostering professional growth.

In FY2024, training hours for executive and non-executive staff decreased by 2.28% and 55.94% respectively. This reduction reflects a strategic shift towards on-the-job learning and the introduction of shorter, more focused training sessions. These changes have enhanced learning efficiency while maintaining the Company's commitment to employee development.

Total Hours of Training by Employee Category

Category/Hours	2023	2024
Executive	16,515	16,138
Non-executive	42,316	18,644

In FY2024, among the training and development programmes conducted both physically and/or online are as follows:

• Building Self Confidence - Converse To Connect	• National Anti-Corruption Summit	• National Human Capital Conference & Exhibition
• Corporate Governance	• Customer Service Training	• Team Building For Excellence
• MRA Retail Conference 2024 - Retail Paradox	• Scaminar - Understanding The Art Of Deception	• Transform 2025 : Empower, Evolve, Excel In The New Age Of AI
• Socso Workshop : Return To Work	• Pop Card - Enhancement And Guideline 2024	• Managing Difficult Behaviours In Team
• Enterprise Risk Management	• 7 Days Basic Cashiering Training	• ESG Awareness For Employees
• Taxpod Masterclass	• Pengendalian Siasatan Dalam	• Stand Up And Speak
• Vuca For Manager - Strong Business And Strategic Management Skills	• Turning Tough Into Triumph: Strategic Planning For Malaysia's 2025 Fiscal Shift	• Influencing And Negotiation Skills For Accounting And Finance Professionals
• Elevate Workplace Wellness	• Retail Overview	• Store Display 101
• Parkson Service Standard	• Product Knowledge Training	• Sustainability Reporting

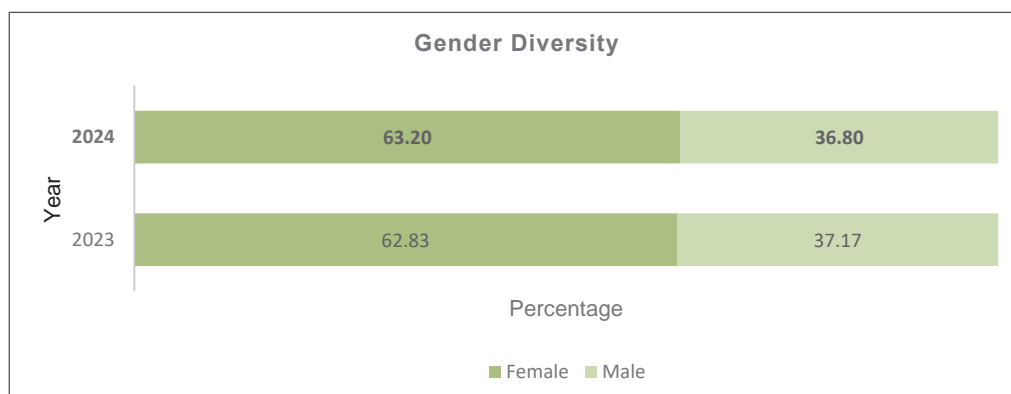
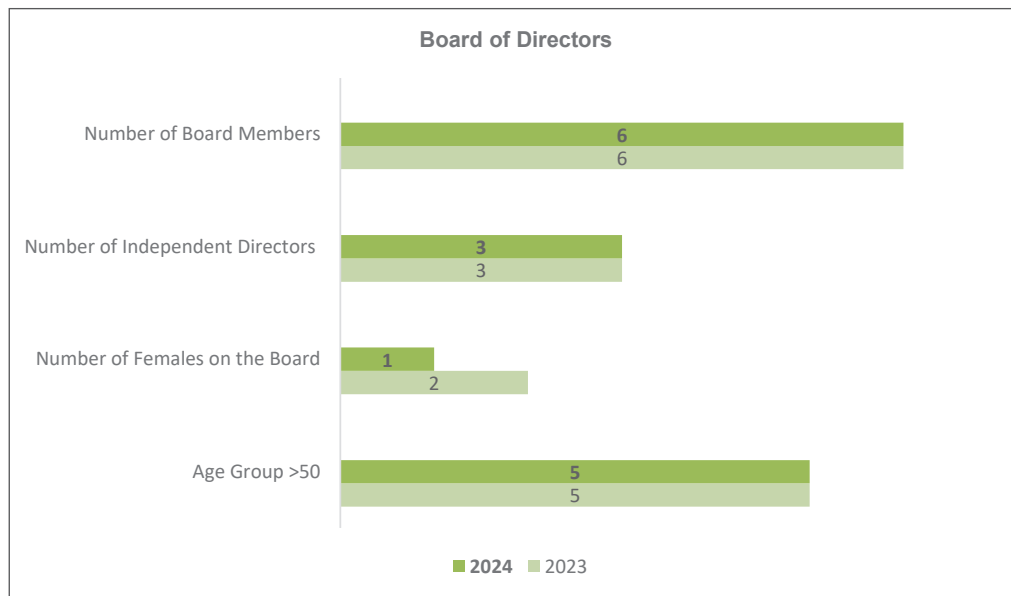
• Diversity & Equal Opportunities

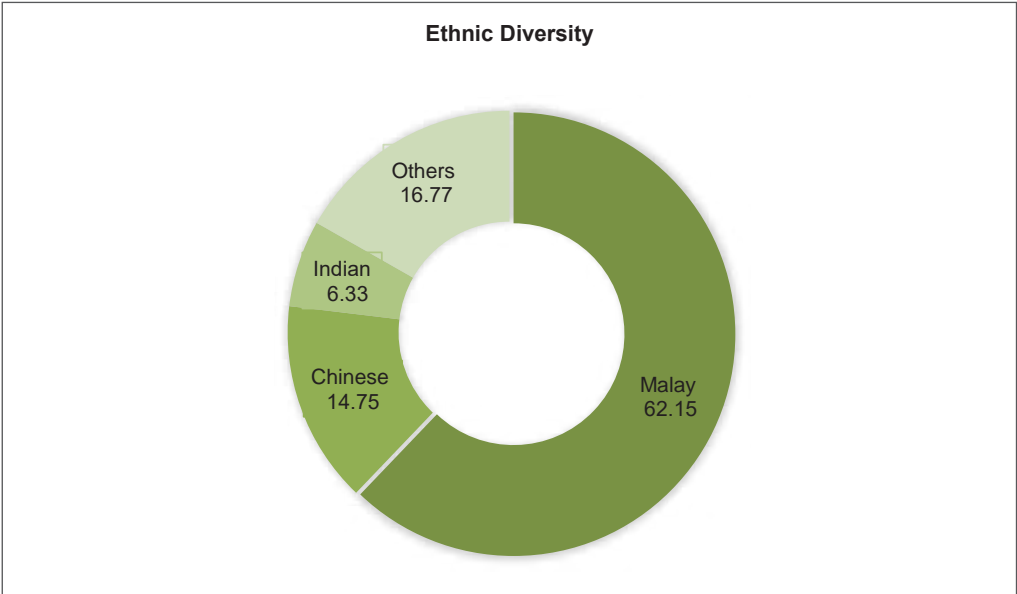
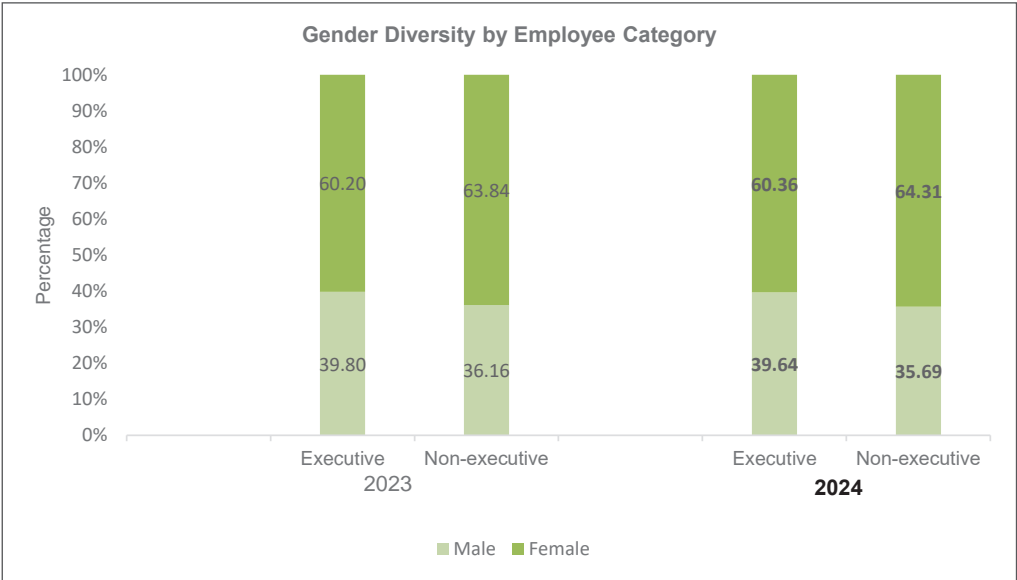
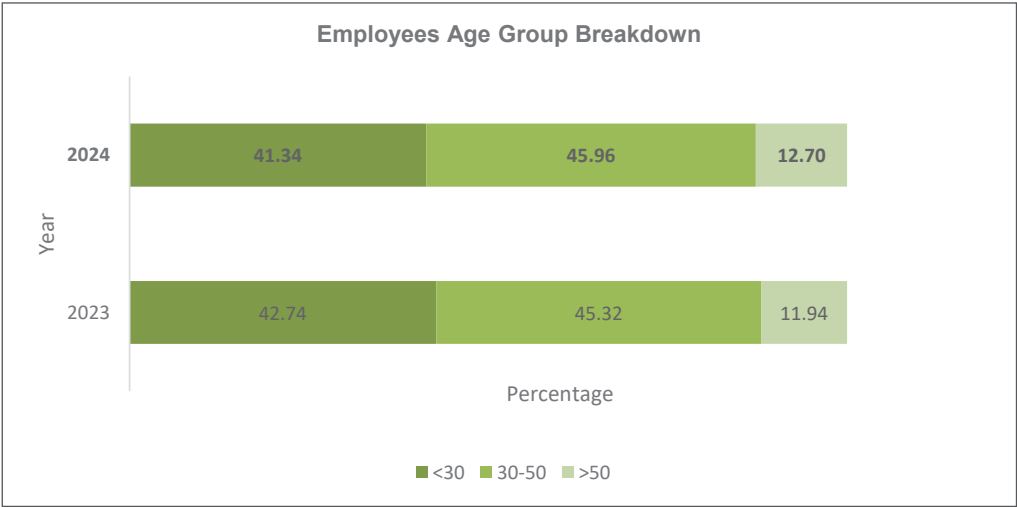
The Company's workforce reflects Malaysia's multi-cultural and multi-ethnic diversity, encompassing a wide range of demographic segments and social backgrounds across all levels of the organization. We uphold a strict non-discrimination policy, ensuring equal opportunities regardless of race, gender, age, religion, or nationality, and maintain a zero-tolerance stance on workplace harassment.

The representation of females on the Board of Directors ("Board") at 16.77% illustrates the Company's dedication to fostering diversity and inclusion in top leadership positions, while 83.33% of Board members are aged 50 and above. At the employee level, 63.20% of our workforce is female, and 36.80% is male, reflecting the nature of our core business in fashion and beauty, particularly within department stores. Our team maintains a balanced age distribution, with 45.96% of employees aged 30-50, and 36.40% of this group holding executive positions.

We also employ part-time staff, including students and retirees, who are compensated hourly under part-time regulations, as well as temporary staff receiving monthly wages. Additionally, indirect staff, managed by vendors, contribute to our operations on-site.

Due to the demanding nature of the retail industry where long working hours contribute to higher turnover, we continuously implement strategies to attract and retain talent, ensuring operational stability and efficiency. In FY2024, total employee turnover remained relatively unchanged among executives at 70, while non-executive turnover declined from 1,107 in FY2023 to 920. This decrease may reflect improved retention strategies, enhanced workplace engagement, and expanded career development opportunities.





Employees Category (%)		
	2023	2024
Indirect (vendors)	66.97	66.24
Part-time/Temporary	2.39	2.78
Permanent	30.64	30.98

Age Group by Employee Category (%)						
	2023			2024		
	<30	30 – 50	>50	<30	30 – 50	>50
Executive	15.26	59.77	24.97	13.40	59.53	27.07
Non-executive	53.28	39.77	6.95	52.27	40.66	7.07

Total Turnover by Employee Category		
	2023	2024
Executive	69	70
Non-executive	1,107	920

- Community Relations/Corporate Social Responsibility (“CSR”)**

In keeping with our philosophy of giving back to the community, the Company focuses on helping to uplift the community via Lion-Parkson Foundation (the “Foundation”) established in 1990 by Lion Group of Companies, of which the Company is a member. The Company 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 that Empowerment through Education is the key to sustainable development, as education serves as a catalyst for positive, long term change. Each year, the Foundation awards scholarships to undergraduates at local universities, providing them not only financial support but also training in essential soft skills such as problem-solving, communication and teamwork. Scholars are also offered internships at Lion Group companies, allowing them to gain invaluable work experience and prepare for their future careers,

In FY2024, the Foundation disbursed scholarships amounting to RM375,000 to 39 undergraduates pursuing their bachelor’s degree in local institutions of higher learning.

Expansion of Home for Special Children

As part of its ongoing support for vulnerable communities, the Foundation completed and officially handed over the expansion of the Home for Handicapped & Mentally Disabled Children in Banting, Selangor which includes an old folks home to the operator, Persatuan Penjagaan Kanak-Kanak Terencat Akal Negeri Selangor, on 23 January 2024.

Medical Assistance for the Less Fortunate

The Foundation is also dedicated to providing medical assistance to individuals in need, regardless of their race or religion. This includes financial support for those suffering from critical illnesses who require medical treatment, surgeries, as well as the purchase of necessary medical equipment and medications.

In FY2024, approximately RM304,803 was disbursed to 38 individuals for medical treatment, which included sponsorships for surgeries, equipment, and medications. The Foundation also made contributions to the following causes:

No	Organisation	Amount (RM)	Purpose	No of beneficiaries
1	Cataract Surgery Centre, Hospital Selayang	20,000	Donation to B40 group needing cataract operation	86
2	Home for Handicapped & Mentally Disabled Children in Banting, Selangor	20,422	Medical equipment and medicine for Home residents	94
3	St John Ambulance of Malaysia	228,380	Purchase of one ambulance, fully equipped with fabrication, medical equipment, and devices	Communities served by the ambulance services
4	The Spastic Children's Association of Selangor & Federal Territory	27,715	Donation of medical equipment for physiotherapy centre	130

Other CSR Initiatives

- Parkson facilitates store visits and tours for students of retail and business courses from local institutes; providing them and stakeholders with valuable insights and hands-on retail experience.
- Parkson Credit :
 - Organised a Blood Donation Drive, in collaboration with National Blood Centre at Lion Office Tower and collected 72 pints of blood.
 - Spent 153 man-hours planting 420 mangrove saplings at Kuala Selangor Nature Park to combat coastal erosion, fight climate change, and boost marine biodiversity.

Parkson Credit also donated to:

No	Organisation	Amount (RM)	Purpose	No of beneficiaries
1	Hong Leong Yamaha Alumni (HMLYA)	2,000	Zoo Visit Charity Programme @ Taiping Zoo	Pusat Pengurusan Penjagaan 1Malaysia, Perak & Yayasan Amanah An-Nur Maisarah, Perak
2	Zoo Negara	1,700	4 units of stone bench	Visitors to Zoo Negara
3	Lion-Parkson Foundation	30,000	Support activities by the Foundation	As mentioned under CSR section
4	Kuala Selangor Nature Park	23,162	Planting mangrove saplings	Public

SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Executive	Percentage	82.31	32.87
Non-executive	Percentage	73.52	22.08
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	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	1,033,181.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	197	393
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	13.40
Executive Between 30-50	Percentage	59.77	59.53
Executive Above 50	Percentage	24.97	27.07
Non-executive Under 30	Percentage	53.28	52.27
Non-executive Between 30-50	Percentage	39.77	40.66
Non-executive Above 50	Percentage	6.95	7.07
Gender Group by Employee Category			
Executive Male	Percentage	39.80	39.64
Executive Female	Percentage	60.20	60.36
Non-executive Male	Percentage	36.16	35.69
Non-executive Female	Percentage	63.84	64.31
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	66.67	83.33
Female	Percentage	33.33	16.67
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	16.67	16.67
Above 50	Percentage	83.33	83.33
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	43,257.85	45,626.47
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.05 *	0.04
Bursa C5(c) Number of employees trained on health and safety standards	Number	2,142	1,557

Internal assurance External assurance No assurance

(*) Restated

SUSTAINABILITY PERFORMANCE DATA (continued)

Indicator	Measurement Unit	2023	2024
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Executive	Hours	16,515	16,138
Non-executive	Hours	42,316	18,644
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	69.36	69.02
Bursa C6(c) Total number of employee turnover by employee category			
Executive	Number	69	70
Non-executive	Number	1,107	920
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.03	99.67
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	130.740000	138.580000

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.

The Materiality 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

LIST OF GROUP PROPERTIES

AS AT 31 DECEMBER 2024

	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 (24)	2.2	June 2004
2.	127, Renmin Zhong Road Wuxi, China	Leasehold 22.4.2044	30,498.6 sq metres	Commercial building	Shopping complex and office (28)	18.9	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 (30)	508.5	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 (37)	135.8	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	433.3	March 2013
6.	Kawasan Bandar XLIII Daerah Melaka Tengah Melaka - HSD 91437, PT 972 - HSD 91438, PT 973 - PN 56726, Lot 11356	Leasehold 28.11.2111 Leasehold 25.5.2113	21.9 acres 6 acres	Land Land	For mixed development For mixed development	120.3 32.9	December 2012, January 2015 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 (9)	813.1	December 2015
8.	121, Renmin Zhong Road Wuxi, China	Leasehold November 2052	11,190.9 sq metres	Commercial building	Shopping complex and office (18)	99.6	March 2018

ANALYSIS OF SHAREHOLDINGS

Issued Shares as at 31 March 2025

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 2025

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	2,998	21.28	93,120	0.01
100 to 1,000	2,295	16.29	949,112	0.08
1,001 to 10,000	5,280	37.49	21,566,061	1.88
10,001 to 100,000	2,816	19.99	98,095,646	8.54
100,001 to less than 5% of issued shares	693	4.92	671,242,187	58.42
5% and above of issued shares	4	0.03	356,955,924	31.07
	14,086	100.00	1,148,902,050	100.00

Substantial Shareholders as at 31 March 2025

Substantial Shareholders	Direct Interest		Deemed Interest	
	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 2025

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. Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheng Heng Jem (M09)	90,035,346	7.84
3. RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Amsteel Mills Sdn Bhd-1	61,689,636	5.37
4. RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Amsteel Mills Sdn Bhd-2	61,243,212	5.33
5. RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Lion Posim Berhad	56,000,000	4.87
6. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheng Heng Jem	52,899,963	4.60
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. Ireliia Management Sdn Bhd	30,633,900	2.67
9. Cartaban Nominees (Tempatan) Sdn Bhd icapital.biz Berhad	22,942,298	2.00
10. RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Lion Industries Corporation Bhd-2	19,530,790	1.70
11. Cheng Yong Kim	19,374,927	1.69
12. RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Lion Industries Corporation Bhd-1	19,084,365	1.66
13. Affin Hwang Nominees (Tempatan) Sdn Bhd Trillionvest Sdn Bhd	18,146,213	1.58
14. Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lion Industries Corporation Berhad (LIO0157M)	17,215,066	1.50
15. RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Amsteel Mills Sdn Bhd	14,487,530	1.26
16. RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Lion Industries Corporation Bhd-3	12,577,911	1.09
17. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Trillionvest Sdn Bhd (3rd pty)	12,473,000	1.09
18. HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore BCH)	10,351,200	0.90
19. RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Amsteel Mills Sdn Bhd-4	9,466,547	0.82
20. Tan Jenn Hwai	7,924,400	0.69
21. Lion Holdings Private Limited	7,006,526	0.61
22. Gan Jinn Sheng	6,771,000	0.59
23. CIMB Group Nominees (Asing) Sdn Bhd Exempt AN for DBS Bank Ltd (SFS)	6,341,176	0.55
24. Lion-Parkson Foundation	5,816,389	0.51
25. Affin Hwang Nominees (Asing) Sdn Bhd Exempt AN for Phillip Securities (Hong Kong) Ltd (Clients' Account)	4,524,065	0.39
26. Ng Kin Song @ Ng Thian Song	4,331,100	0.38
27. Maybank Nominees (Asing) Sdn Bhd MTrustee Berhad for Excel Step Investments Limited (419463)	4,218,816	0.37
28. Tay Hong Seng	4,200,000	0.37
29. Loh Kian Chong	4,000,000	0.35
30. Citigroup Nominees (Asing) Sdn Bhd SBL Exempt AN for UBS AG	3,957,700	0.34

Directors' Interests in Shares in the Company and its Related Corporations as at 31 March 2025

The Directors' interests in shares in the Company and its related corporations as at 31 March 2025 are as follows:

	Direct Interest		Deemed Interest	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%
The Company				
Tan Sri Cheng Heng Jem	286,923,039	24.97	339,994,089	29.60
Ooi Kim Lai	197	Negligible	—	—

	Direct Interest		Deemed Interest	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%

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	—	—
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Investments in the People's Republic of China

Tan Sri Cheng Heng Jem

	Deemed Interest	
	Rmb	% of Holdings
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 2025.

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, 30 December 2022 and 31 December 2024, 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 RM186.06 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 further extended to 31 December 2026.
- (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, 30 December 2022 and 31 December 2024, 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 RM332.65 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 further extended until 31 December 2026 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 2024 by the Group and by the Company were RM310,000 (2023: RM118,500) and RM8,000 (2023: RM8,000) respectively.

(II) RECURRENT RELATED PARTY TRANSACTIONS

The aggregate value of transactions conducted during the financial year ended 31 December 2024 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⁾	539
	Lion Corporation Berhad ("LCB") Group ⁽ⁱⁱ⁾	34
		573

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.

FINANCIAL STATEMENTS

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Parkson Holdings Berhad
(Incorporated in Malaysia)

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 2024.

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 activities, 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 and principal activities of the subsidiaries, 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
(Loss)/profit for the financial year:		
Continuing operations	(127,186)	8,234
Discontinued operations	(3)	-
	<u>(127,189)</u>	<u>8,234</u>
(Loss)/profit for the financial year attributable to:		
Owners of the parent	(102,028)	8,234
Non-controlling interests	(25,161)	-
	<u>(127,189)</u>	<u>8,234</u>

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, an investment property, right-of-use assets, intangible assets and other receivables totalling RM194,373,000.

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.

**Parkson Holdings Berhad
(Incorporated in Malaysia)**

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
Liew Jee Min @ Chong Jee Min
Ooi Kim Lai
Dato' Eow Kwan Hoong (Appointed on 29 May 2024)
Zainab binti Dato' Hj. Mohamed (Retired on 29 May 2024)

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
Dato' Fu Ah Kiow
Dato' Sri Dr. Hou Kok Chung
Datuk Koong Lin Loong
Goh Mei Chin (Appointed on 10 September 2024)
Gui Cheng Hock
Haji Mohamad Khalid bin Abdullah
Hu Da Zhi
Huo Jian Ming
Jin Chun Xu
Juliana Cheng San San
Khor Ching Wee
Li Bing
Loh Chai Hoon

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

Norman Siu Yong Ching Jr

Ooi Kim Lai

Poh Wan Chung

Pong Yuet Yee

Pun Chi Tung, Melvyn

Sam Chong Keen

Tan Boon Heng

Tan Sri Cheng Heng Jem

Wang Wei Hai

(Appointed on 12 September 2024)

Wong Siu Sze

Xie Hua

Xu Jing Chao

Yau Ming Kim, Robert

Yeo Keng Leong

Yin Zheng Min

Yu KaiYan

Zhang Ji Ning

Zhang Jun

Zhang Pei

Zhang Zhi Jun

Zhou Jia

Chuah Say Chin

(Resigned with effect from 10 September 2024)

Da Min

(Resigned with effect from 27 November 2024)

Lee Wee Leng

(Resigned with effect from 25 March 2024)

Lee Whay Keong

(Resigned with effect from 1 October 2024)

Ng Ho Peng

(Resigned with effect from 26 March 2025)

Qiu Jian

(Resigned with effect from 27 November 2024)

Tan Kim Kee

(Resigned with effect from 26 March 2025)

Wang Wing Ying

(Resigned with effect from 26 March 2025)

Xiu Jun

(Resigned with effect from 12 September 2024)

Parkson Holdings Berhad
(Incorporated in Malaysia)

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	3,018	128
	<u>3,379</u>	<u>203</u>
Non-executive Directors:		
Fees	184	184
Other emoluments	43	43
	<u>227</u>	<u>227</u>
Total	<u>3,606</u>	<u>430</u>

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 RM89.49 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.

Parkson Holdings Berhad
(Incorporated in Malaysia)

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		
	1.1.2024	Acquired	Disposed	31.12.2024
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

	1.1.2024	Number of ordinary shares		31.12.2024
		Acquired	Disposed	
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**

	1.1.2024	Number of ordinary shares		31.12.2024
		Acquired	Disposed	
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			
	1.1.2024	Acquired	Disposed	31.12.2024
Parkson Retail Group Limited	1,448,270,000	-	-	1,448,270,000

Parkson Holdings Berhad
(Incorporated in Malaysia)

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	1.1.2024	Acquired	Disposed	31.12.2024
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.

**Parkson Holdings Berhad
(Incorporated in Malaysia)**

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.

198201009470 (89194-P)

Parkson Holdings Berhad
(Incorporated in Malaysia)

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 2024 amounted to RM4,318,000 and RM40,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 8 April 2025.



TAN SRI CHENG HENG JEM
Chairman and Managing Director

Kuala Lumpur, Malaysia



CHENG HUI YEN, NATALIE
Executive Director

198201009470 (89194-P)

Parkson Holdings Berhad
(Incorporated in 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 19 to 149 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 2024 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 8 April 2025.



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 19 to 149 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 8 April 2025.



TAN SRI CHENG HENG JEM

Before me,

W729

MARDHIYYAH ABDUL WAHAB
Commissioner for Oaths
Kuala Lumpur



SUITE 9.03, TINGKAT 9
MENARA RAJA LAUT
NO. 288 JALAN RAJA LAUT
50350 KUALA LUMPUR

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PARKSON HOLDINGS BERHAD (Incorporated in Malaysia)

198201009470 (89194-P)

Grant Thornton Malaysia PLT

Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

T +603 2692 4022

F +603 2691 5229

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 2024 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 19 to 149.

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 2024, 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.

198201009470 (89194-P)

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

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 RM12,239,000 as at 31 December 2024 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.

How our audit address the Key Audit Matters

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.

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

Key Audit Matters (cont'd.)

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 RM1,696,420,000 and RM2,109,295,000, representing 28% and 35% respectively of total non-current assets of the Group as at 31 December 2024.

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.

How our audit address the Key Audit Matters

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 unit ("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

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

Key Audit Matters (cont'd.)

Key Audit Matters

Impairment of property, plant and equipment and right-of-use assets (cont'd.)

Impairment of goodwill

The Group has a balance of goodwill of RM992,910,000 representing 17% of total non-current assets of the Group as at 31 December 2024.

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.

How our audit address the Key Audit Matters

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.

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;

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

Key Audit Matters (cont'd.)

Key Audit Matters

Impairment of goodwill (cont'd.)

Impairment assessment of interests in subsidiaries (Parent company only)

The Company has balance of interests in subsidiaries of RM2,706,850,000 as at 31 December 2024.

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.

How our audit address the Key Audit Matters

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.

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;

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

Key Audit Matters (cont'd.)

Key Audit Matters

Impairment assessment of interests in subsidiaries (Parent company only) (cont'd.)

How our audit address the Key Audit Matters

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.

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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.

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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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

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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
8 April 2025

Parkson Holdings Berhad
(Incorporated in Malaysia)

Statements of profit or loss
For the financial year ended 31 December 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Continuing operations</u>					
Revenue	4	2,805,074	3,121,955	11,400	-
Other income	5	343,892	357,214	-	-
Purchase of goods and changes in inventories		(1,229,572)	(1,433,387)	-	-
Employee benefits expense	6	(437,814)	(441,287)	(204)	(204)
Depreciation and amortisation		(482,042)	(494,815)	(1)	(2)
Promotional and advertising expenses		(34,136)	(38,020)	-	-
Rental expenses		(69,300)	(82,944)	-	-
Other expenses	8(d)	(480,306)	(476,632)	(1,477)	(1,779)
Operating profit/(loss)		415,796	512,084	9,718	(1,985)
Finance income	7	37,522	46,523	95	84
Finance costs	7	(340,348)	(380,352)	-	-
Share of results of associates		9,192	8,210	-	-
Share of results of joint ventures		-	7,170	-	-
Reversal of impairment loss on amounts due from subsidiaries	19	-	-	2,081	29,654
Gain on disposal of properties		-	23,756	-	-
Impairment loss on:					
- Property, plant and equipment	11	(31,300)	(3,414)	-	-
- An investment property	12	(7,018)	-	-	-
- Right-of-use assets	13	(19,797)	(15,407)	-	-
- Intangible assets	14	(75,263)	(83,267)	-	-
- Other receivables	21	(60,995)	-	-	-
- Amount due from a subsidiary	19	-	-	(3,352)	-
(Loss)/profit before tax	8	(72,211)	115,303	8,542	27,753
Income tax expense	9	(54,975)	(71,507)	(308)	(118)
(Loss)/profit for the financial year from continuing operations		(127,186)	43,796	8,234	27,635
<u>Discontinued operations</u>					
Loss for the financial year from discontinued operations	33	(3)	(14,868)	-	-
(Loss)/profit for the financial year from continuing and discontinued operations		(127,189)	28,928	8,234	27,635

Parkson Holdings Berhad
(Incorporated in Malaysia)

Statements of profit or loss

For the financial year ended 31 December 2024 (cont'd.)

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
(Loss)/profit for the financial year attributable to:					
Owners of the parent		(102,028)	(19,186)	8,234	27,635
Non-controlling interests	15(b)	(25,161)	48,114	-	-
		<u>(127,189)</u>	<u>28,928</u>	<u>8,234</u>	<u>27,635</u>
Basic and diluted					
loss per share (sen):	10				
Continuing operations		(8.88)	(0.79)		
Discontinued operations		-	(0.88)		
		<u>(8.88)</u>	<u>(1.67)</u>		

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

Statements of other comprehensive income
For the financial year ended 31 December 2024

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit for the financial year	(127,189)	28,928	8,234	27,635
<u>Other comprehensive income/(loss)</u>				
Item that will not be reclassified to profit or loss:				
Change in fair value of financial assets	-	(936)	-	-
Item that may be reclassified subsequently to profit or loss:				
Foreign currency translation	(100,171)	27,598	-	-
Other comprehensive (loss)/income for the financial year, net of tax	(100,171)	26,662	-	-
Total comprehensive (loss)/income for the financial year	(227,360)	55,590	8,234	27,635
Total comprehensive (loss)/income for the financial year attributable to:				
Owners of the parent	(154,465)	(3,111)	8,234	27,635
Non-controlling interests	(72,895)	58,701	-	-
	(227,360)	55,590	8,234	27,635

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

Consolidated statement of financial position
As at 31 December 2024

	Note	2024 RM'000	2023 RM'000
Assets			
Non-current assets			
Property, plant and equipment	11	1,696,420	1,873,972
Investment properties	12	476,528	466,108
Right-of-use assets	13(a)	2,109,295	1,829,110
Intangible assets	14	993,128	1,119,375
Investments in associates	16	32,171	33,398
Investments in joint ventures	17	-	-
Deferred tax assets	18	186,651	184,537
Trade receivables	20	415,150	253,100
Other receivables	21	50,761	227,856
Investment securities	22	1,573	1,568
Time deposits	23	16,064	17,567
		<u>5,977,741</u>	<u>6,006,591</u>
Current assets			
Inventories	24	333,975	357,342
Trade and other receivables	20	586,065	599,062
Investment securities	22	40,885	37,159
Tax recoverable		165	160
Deposits, cash and bank balances	23	1,379,026	1,477,277
		<u>2,340,116</u>	<u>2,471,000</u>
Non-current assets classified as held for sale	34	-	48,356
		<u>2,340,116</u>	<u>2,519,356</u>
Total assets		<u>8,317,857</u>	<u>8,525,947</u>
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	25	2,160,580	2,160,580
Other reserves	26	(1,552,086)	(1,499,712)
Retained profits		672,394	774,485
		<u>1,280,888</u>	<u>1,435,353</u>
Non-controlling interests	15(b)	894,875	982,171
Total equity		<u>2,175,763</u>	<u>2,417,524</u>

Parkson Holdings Berhad
(Incorporated in Malaysia)

Consolidated statement of financial position
As at 31 December 2024 (cont'd.)

	Note	2024 RM'000	2023 RM'000
Equity and liabilities (cont'd.)			
Non-current liabilities			
Deferred tax liabilities	18	108,767	146,615
Loans and borrowings	27	1,558,173	1,505,078
Long term payables	28	1,636	1,076
Provisions	29	19,988	20,501
Lease liabilities	13(b)	2,218,083	1,926,580
		<u>3,906,647</u>	<u>3,599,850</u>
Current liabilities			
Trade and other payables	30	1,122,817	1,279,531
Contract liabilities	31	391,640	419,207
Loans and borrowings	27	269,473	234,867
Provisions	29	5,658	4,173
Lease liabilities	13(b)	429,728	545,975
Tax payables		16,131	24,820
		<u>2,235,447</u>	<u>2,508,573</u>
Total liabilities		<u>6,142,094</u>	<u>6,108,423</u>
Total equity and liabilities		<u>8,317,857</u>	<u>8,525,947</u>

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

Company statement of financial position
As at 31 December 2024

	Note	2024 RM'000	2023 RM'000
Assets			
Non-current assets			
Property, plant and equipment	11	2	3
Intangible assets	14	28	28
Interests in subsidiaries	15	2,706,850	2,699,030
Amounts due from subsidiaries	19	-	21
		<u>2,706,880</u>	<u>2,699,082</u>
Current assets			
Trade and other receivables	20	14	14
Amounts due from subsidiaries	19	230	3,503
Deposits, cash and bank balances	23	5,198	952
		<u>5,442</u>	<u>4,469</u>
Total assets		<u>2,712,322</u>	<u>2,703,551</u>
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		(2,357,731)	(2,365,965)
Total equity		<u>2,708,680</u>	<u>2,700,446</u>
Current liabilities			
Trade and other payables	30	1,167	1,166
Amounts due to subsidiaries	32	2,475	1,939
Total liabilities		<u>3,642</u>	<u>3,105</u>
Total equity and liabilities		<u>2,712,322</u>	<u>2,703,551</u>

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

Consolidated statement of changes in equity
For the financial year ended 31 December 2024

	← Attributable to owners of the parent →					
	← Non-distributable →				Non-	Total
	Share	Other	Retained	Total	controlling	equity
	capital	reserves	profits		interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	(Note 25)	(Note 26)				
At 1 January 2024	2,160,580	(1,499,712)	774,485	1,435,353	982,171	2,417,524
Total comprehensive loss for the financial year	-	(52,437)	(102,028)	(154,465)	(72,895)	(227,360)
Transactions with owners						
Transfer to capital reserves	-	63	(63)	-	-	-
Dividends to non-controlling interests	-	-	-	-	(14,401)	(14,401)
Total transactions with owners	-	63	(63)	-	(14,401)	(14,401)
At 31 December 2024	2,160,580	(1,552,086)	672,394	1,280,888	894,875	2,175,763
At 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

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

Company statement of changes in equity
For the financial year ended 31 December 2024

	← Non-distributable →			
	Share capital	Other reserves	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000
	(Note 25)	(Note 26)		
At 1 January 2024	2,160,580	2,905,831	(2,365,965)	2,700,446
Total comprehensive income for the financial year	-	-	8,234	8,234
At 31 December 2024	2,160,580	2,905,831	(2,357,731)	2,708,680
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

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows

For the financial year ended 31 December 2024

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
(Loss)/profit before tax:				
- Continuing operations	(72,211)	115,303	8,542	27,753
- Discontinued operations	(3)	(14,868)	-	-
Adjustments for:				
Depreciation and amortisation	482,042	494,832	1	2
Write off of:				
- Property, plant and equipment	373	1,237	-	-
- Receivables	-	3	-	3
Gain on disposal of properties	-	(23,756)	-	-
Impairment loss on:				
- Property, plant and equipment	31,300	3,414	-	-
- An investment property	7,018	-	-	-
- Right-of-use assets	19,797	15,407	-	-
- Intangible assets	75,263	83,267	-	-
- Receivables	93,336	28,058	-	113
- Amount due from a subsidiary	-	-	3,352	-
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	327	190	-	-
Write back of inventory obsolescence	(1,798)	-	-	-
Reversal of impairment loss on:				
- Property, plant and equipment	(9,131)	-	-	-
- Right-of-use assets	(3,799)	-	-	-
- Receivables	(2,269)	(1,017)	-	-
- Amounts due from subsidiaries	-	-	(2,081)	(29,654)
Unrealised foreign currency exchange (gain)/loss	(9,427)	10,475	-	-
Loss on disposal of:				
- Property, plant and equipment	1,282	2,717	-	-
- Investment properties	-	733	-	-
Rent concessions	(827)	(1,097)	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 December 2024 (cont'd.)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (cont'd.)				
Share of results of associates	(9,192)	(8,210)	-	-
Share of results of joint ventures	-	(7,170)	-	-
Finance costs	340,348	385,516	-	-
Finance income	(37,522)	(50,994)	(95)	(84)
Income from subleasing right-of-use assets	(1,406)	(11,752)	-	-
Income from lease modification and lease termination	(23,854)	(32,441)	-	-
Dividend income from:				
- A subsidiary	-	-	(11,400)	-
- Investment securities	-	(771)	-	-
Operating profit/(loss) before working capital changes	879,647	985,450	(1,681)	(1,867)
Changes in working capital:				
Inventories	6,562	40,139	-	-
Receivables	(156,537)	(226,732)	(5,797)	2,016
Payables	(49,377)	117,271	537	(2,623)
Cash flows generated from/ (used in) operations	680,295	916,128	(6,941)	(2,474)
Taxes paid	(100,750)	(97,488)	(308)	(118)
Interest paid	(127,533)	(155,508)	-	-
Interest received	24,977	25,713	95	84
Net cash flows generated from/ (used in) operating activities	476,989	688,845	(7,154)	(2,508)
Cash flows from investing activities				
Purchase of property, plant and equipment (Note 11(iv))	(67,641)	(63,991)	-	(1)
Additions to investment properties	-	(24,844)	-	-
Proceeds from disposal of:				
- Property, plant and equipment	82	67	-	-
- Non-current assets classified as held for sale	-	86,106	-	-
Proceeds from subleases	63,231	82,757	-	-

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Statements of cash flows

For the financial year ended 31 December 2024 (cont'd.)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	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)	-	-
Dividends received from:				
- Associates	8,431	2,734	-	-
- A joint venture	-	15,573	-	-
- Investment securities	-	1,831	-	-
- A subsidiary	-	-	11,400	-
Changes in:				
- Investment securities	(5,607)	32,791	-	-
- Deposits with banks	3,499	(6,268)	-	-
Net cash flows generated from/ (used in) investing activities	<u>1,995</u>	<u>141,547</u>	<u>11,400</u>	<u>(1)</u>
Cash flows from financing activities				
Dividends paid to non-controlling interests	(14,401)	(8,129)	-	-
Proceeds from loans and borrowings (Note 27)	1,783,604	26,406	-	-
Repayment of loans and borrowings (Note 27)	(1,662,785)	(83,050)	-	-
Payment of lease liabilities	(603,912)	(624,459)	-	-
Net cash flows used in financing activities	<u>(497,494)</u>	<u>(689,232)</u>	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(18,510)	141,160	4,246	(2,509)
Effects of changes in exchange rates	(73,974)	39,823	-	-
Cash and cash equivalents at beginning of the financial year	1,432,251	1,251,268	952	3,461
Cash and cash equivalents at end of the financial year (Note 23)	1,339,767	1,432,251	5,198	952

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

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Notes to the financial statements
For the financial year ended 31 December 2024

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 8 April 2025.

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 amendments to MFRSs

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

On 1 January 2024, the Group and the Company adopted the following amendments to MFRSs which are mandatory for annual periods beginning on or after 1 January 2024:

Description

- Amendments to MFRS 16 Leases - 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

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

2.2 Adoption of amendments to MFRSs (cont'd.)

On 1 January 2024, the Group and the Company adopted the following amendments to MFRSs which are mandatory for annual periods beginning on or after 1 January 2024: (cont'd.)

Description

- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

The adoption of the above amendments to MFRSs did not result in material impact to the financial statements of the Group and of the Company.

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.

Effective for annual periods beginning on or after 1 January 2025

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

Effective for annual periods beginning on or after 1 January 2026

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures)
- Amendments that are part of Annual Improvements - Volume 11:
 - Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
 - Amendments to MFRS 7 Financial Instruments: Disclosures
 - Amendments to MFRS 9 Financial Instruments
 - Amendments to MFRS 10 Consolidated Financial Statements
 - Amendments to MFRS 107 Statement of Cash Flows
- Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for annual periods beginning on or after 1 January 2027

- MFRS 18 Presentation and Disclosure in Financial Statements
- MFRS 19 Subsidiaries without Public Accountability: Disclosures

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

2.3 Standards issued but not yet effective (cont'd.)

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. (cont'd.)

Deferred to a date to be determined by the Malaysian Accounting Standards Board

- 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, except for the following:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve entities' reporting of financial performance:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but entities can apply it earlier.

The Group and the Company are currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

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

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.

2.6 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

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

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

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 (2023: 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.

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

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 (2023: 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.

2.11 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.

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

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.

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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

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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 uncertainties 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.

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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.

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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:

	2024	2023
	RM'000	RM'000
Retailing - China	75,263	83,267

(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 RM1,054,360,000 (2023: RM925,438,000) of unused tax losses and RM23,851,000 (2023: RM25,235,000) 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.

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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 RM268,486,000 (2023: RM239,551,000). 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 10.2% (2023: 10.7%) and 13.1% (2023: 14.4%) respectively.

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

	Property, plant and equipment		Right-of-use assets	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Retailing - China	31,300	3,414	19,797	15,407

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 2024, the Group has the balance of provisions for restoration costs of RM25,646,000 (2023: RM24,674,000). A 10% difference in the estimated costs to restore the leased areas would result in approximately RM2,565,000 (2023: RM2,467,000) 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

In the previous financial years, the Group had entered into a sale and purchase agreement 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 2024. 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
- 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.

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4. Revenue

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
<u>Revenue from contracts with customers</u>				
<u>customers</u> (i)				
Sales of goods - direct sales	1,477,842	1,742,786	-	-
Commissions from concessionaire sales (ii)	804,570	878,145	-	-
Food and beverage ("F&B") operations	9,211	7,595	-	-
Consultancy and management service fees	4,986	8,627	-	-
	2,296,609	2,637,153	-	-
<u>Revenue from other sources</u>				
Rental income	407,275	417,526	-	-
Credit services	101,190	66,505	-	-
Dividend income from:				
A subsidiary	-	-	11,400	-
Investment securities	-	771	-	-
	508,465	484,802	11,400	-
	2,805,074	3,121,955	11,400	-
Discontinued operations				
<u>Revenue from contracts with customers</u>				
<u>customers</u> (i)				
Commissions from concessionaire sales (ii)	-	1,728	-	-
<u>Revenue from other sources</u>				
Rental income	-	2,224	-	-
	-	3,952	-	-

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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
2024					
Continuing operations					
Geographical market:					
Within Malaysia	338,592	400,118	9,211	-	747,921
Outside Malaysia	1,139,250	404,452	-	4,986	1,548,688
	1,477,842	804,570	9,211	4,986	2,296,609
Timing of revenue recognition:					
At a point in time	1,477,842	804,570	9,211	-	2,291,623
Over time	-	-	-	4,986	4,986
	1,477,842	804,570	9,211	4,986	2,296,609
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

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4. Revenue (cont'd.)

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

	Group	
	2024	2023
	RM'000	RM'000
Gross revenue from concessionaire sales		
- Continuing operations	4,477,540	5,116,523
- Discontinued operations	-	7,456
Commissions from concessionaire sales		
- Continuing operations	804,570	878,145
- Discontinued operations	-	1,728

5. Other income

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Management fees	84,483	80,261	-	-
Promotion income	31,712	30,976	-	-
Administration fees	101,932	96,176	-	-
Credit card handling fees	13,903	16,799	-	-
Equipment and display space lease income	36,429	39,223	-	-
Service fees	13,527	15,594	-	-
Government grants (i)	3,534	9,540	-	-
Income from subleasing right-of-use assets	1,406	11,752	-	-
Income from lease modification and lease termination	23,854	32,441	-	-
Others	33,112	24,452	-	-
	343,892	357,214	-	-
Discontinued operations				
Others	24	859	-	-

(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.

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6. Employee benefits expense

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Wages, salaries and bonuses	334,231	336,048	195	195
Defined contribution plans	39,135	41,636	-	-
Other staff related expenses	64,448	63,603	9	9
	437,814	441,287	204	204
Discontinued operations				
Wages, salaries and bonuses	-	995	-	-
Other staff related expenses	-	679	-	-
	-	1,674	-	-

Included in employee benefits expense of the Group and of the Company are executive Directors' remuneration amounting to RM3,379,000 (2023: RM3,378,000) and RM203,000 (2023: RM203,000) respectively as further disclosed in Note 8(b).

7. Finance income/costs

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Finance income</u>				
Continuing operations				
Interest income on:				
Short term deposits and others	25,482	29,662	95	38
Amount due from a subsidiary	-	-	-	46
Lease receivables from subleases	10,502	14,748	-	-
Discount adjustments on rental deposits receivable	637	806	-	-
Gain on redemption of financial assets at fair value through profit or loss ("FVPL")	-	774	-	-
Change of fair value of financial assets at FVPL (Note 22)	901	533	-	-
	37,522	46,523	95	84
Discontinued operations				
Interest income on lease receivables from subleases	-	4,471	-	-

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7. Finance income/costs (cont'd.)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Finance costs</u>				
Continuing operations				
Interest expenses on:				
Term loan and bank loans	128,234	146,193	-	-
Bank overdrafts and others	222	385	-	-
Lease liabilities	211,122	232,857	-	-
Unwinding of discount on:				
Rental deposits payable	37	27	-	-
Provisions for restoration costs	733	890	-	-
	340,348	380,352	-	-
Discontinued operations				
Interest expenses on:				
Lease liabilities	-	4,132	-	-
Others	-	1,032	-	-
	-	5,164	-	-

8. (Loss)/profit before tax

(a) (Loss)/profit before tax is stated at after charging/(crediting):

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Directors' remuneration (Note 8(b))	3,606	3,604	430	429
Auditors' remuneration related to:				
Statutory audit:				
- Grant Thornton Malaysia PLT	925	894	32	31
- Member firm of Grant Thornton International	2,497	2,461	-	-
- Other auditors	569	557	-	-
Assurance-related services:				
- Grant Thornton Malaysia PLT	51	23	8	8
- Member firm of Grant Thornton International	259	96	-	-
- Other auditors	17	17	-	-

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8. (Loss)/profit before tax (cont'd.)

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Continuing operations (cont'd.)				
Depreciation and amortisation:				
- Property, plant and equipment	134,108	131,771	1	2
- Investment properties	13,417	15,820	-	-
- Right-of-use assets	334,517	347,218	-	-
- Intangible assets	-	6	-	-
Write off of:				
- Property, plant and equipment	373	1,237	-	-
- Receivables	-	3	-	3
Allowance for impairment loss on receivables	32,341	14,854	-	113
Write down of inventories	327	190	-	-
Write back of inventory obsolescence	(1,798)	-	-	-
Reversal of impairment loss on:				
- Property, plant and equipment	(9,131)	-	-	-
- Right-of-use assets	(3,799)	-	-	-
- Receivables	(2,269)	(1,017)	-	-
Foreign currency exchange loss/(gain):				
- Realised	34,725	174	-	-
- Unrealised	(9,427)	10,475	-	-
Loss on disposal of:				
- Property, plant and equipment	1,282	2,717	-	-
- Investment properties	-	733	-	-
Operating lease rentals in respect of leased properties:				
- Minimum lease payments	70,127	84,041	-	-
- Rent concessions	(827)	(1,097)	-	-
Discontinued operations				
Auditors' remuneration related to statutory audit:				
- Other auditors	-	51	-	-
Operating lease rentals in respect of leased properties:				
- Minimum lease payments	17	3,928	-	-

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8. (Loss)/profit 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Executive Directors:				
Fees	361	361	75	75
Salaries and other emoluments	2,967	2,969	128	128
Pension costs - defined contribution plans	51	48	-	-
	3,379	3,378	203	203
Non-executive Directors:				
Fees	184	185	184	185
Other emoluments	43	41	43	41
	227	226	227	226
Total Directors' remuneration (Note 8(a))	3,606	3,604	430	429

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8. (Loss)/profit 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 2024	2023	Company 2024	2023
Continuing operations				
Executive Directors:				
- RM50,000 and below	-	-	1	1
- RM150,001 to RM200,000	-	-	1	1
- RM500,001 to RM550,000	-	1	-	-
- RM550,001 to RM600,000	1	-	-	-
- RM2,800,001 to RM2,850,000	1	1	-	-
Non-executive Directors *:				
- RM50,000 and below	2	-	2	-
- RM50,001 to RM100,000	3	4	3	4

* 2024: Including a Director who had retired on 29 May 2024 and a Director who was appointed on 29 May 2024.

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

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9. Income tax expense

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Income tax:				
Malaysian income tax	45,282	44,282	308	118
Foreign tax	46,487	56,265	-	-
	91,769	100,547	308	118
Under/(over) provision in prior years	5,306	(2,105)	-	-
	97,075	98,442	308	118
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	(41,654)	(26,874)	-	-
Over provision in prior years	(446)	(61)	-	-
	(42,100)	(26,935)	-	-
Total income tax expense	54,975	71,507	308	118

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% (2023: 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% (2023: 25%) on their respective taxable income. As at 31 December 2024, 3 (2023: 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% (2023: 20%, 17%, 20%, 20% and 22%) respectively for the financial year ended 31 December 2024.

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9. Income tax expense (cont'd.)

Reconciliation between tax expense and accounting (loss)/profit

The reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the financial year are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit before tax:				
- Continuing operations	(72,211)	115,303	8,542	27,753
- Discontinued operations	(3)	(14,868)	-	-
	(72,214)	100,435	8,542	27,753
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	(17,331)	24,104	2,050	6,661
Different tax rates in other jurisdiction	(740)	(2,612)	-	-
Expenses not deductible for tax purposes	53,212	66,803	1,494	574
Income not subject to tax	(11,459)	(3,165)	(3,236)	(7,117)
Deferred tax assets not recognised	56,260	16,384	-	-
Utilisation of previously unrecognised tax losses	(27,325)	(24,315)	-	-
Reversal of previously recognised tax losses	-	879	-	-
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	(296)	(714)	-	-
Under/(over) provision of income tax in prior years	5,306	(2,105)	-	-
Over provision of deferred tax in prior years	(446)	(61)	-	-
Effects on share of results of associates and joint ventures	(2,206)	(3,691)	-	-
Tax expense	54,975	71,507	308	118

The above reconciliation has been prepared by aggregating separate reconciliations for each national jurisdiction.

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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	
	2024	2023
Loss for the financial year attributable to owners of the parent (RM'000):		
- Continuing operations	(102,026)	(9,082)
- Discontinued operations	(2)	(10,104)
	<u>(102,028)</u>	<u>(19,186)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,148,902</u>	<u>1,148,902</u>
Basic loss per share (sen):		
- Continuing operations	(8.88)	(0.79)
- Discontinued operations	-	(0.88)
	<u>(8.88)</u>	<u>(1.67)</u>

(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.

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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 2024						
Cost						
At 1 January 2024	1,541,668	13,882	424,225	1,290,985	521,007	3,791,767
Additions	-	775	12,979	44,056	10,258	68,068
Disposals	-	(771)	(13,602)	(48,011)	-	(62,384)
Write off	-	-	(15,179)	(25,405)	-	(40,584)
Reclassification	-	-	2,330	7,261	(9,591)	-
Exchange differences	(78,062)	(746)	(18,441)	(49,102)	(25,290)	(171,641)
At 31 December 2024	<u>1,463,606</u>	<u>13,140</u>	<u>392,312</u>	<u>1,219,784</u>	<u>496,384</u>	<u>3,585,226</u>
Accumulated depreciation						
At 1 January 2024	383,211	11,283	360,854	1,053,631	-	1,808,979
Charge for the financial year	39,227	462	17,274	77,145	-	134,108
Disposals	-	(599)	(12,855)	(47,566)	-	(61,020)
Write off	-	-	(13,182)	(16,706)	-	(29,888)
Exchange differences	(20,672)	(552)	(8,812)	(49,211)	-	(79,247)
At 31 December 2024	<u>401,766</u>	<u>10,594</u>	<u>343,279</u>	<u>1,017,293</u>	<u>-</u>	<u>1,772,932</u>

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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 2024 (cont'd.)						
Accumulated impairment loss						
At 1 January 2024	-	208	16,418	49,734	42,456	108,816
Impairment loss for the financial year	-	15	681	12,595	18,009	31,300
Reversal of impairment loss for the financial year	-	-	(1,213)	(7,918)	-	(9,131)
Write off	-	-	(1,770)	(8,553)	-	(10,323)
Exchange differences	-	(114)	(2,851)	(84)	(1,739)	(4,788)
At 31 December 2024	-	109	11,265	45,774	58,726	115,874
Net carrying amount						
At 31 December 2024	1,061,840	2,437	37,768	156,717	437,658	1,696,420

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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						
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	356,802	1,043,120	-	1,753,742
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	360,854	1,053,631	-	1,808,979

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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	13,112	41,987	38,996	94,145
Impairment loss for the financial year	-	12	393	1,718	1,291	3,414
Write off	-	-	-	(7)	-	(7)
Exchange differences	-	146	2,913	6,036	2,169	11,264
At 31 December 2023	-	208	16,418	49,734	42,456	108,816
Net carrying amount						
At 31 December 2023	1,158,457	2,391	46,953	187,620	478,551	1,873,972

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11. Property, plant and equipment (cont'd.)

Company	Office equipment	
	2024 RM'000	2023 RM'000
Cost		
At beginning of the financial year	10	9
Additions	-	1
At end of the financial year	<u>10</u>	<u>10</u>
Accumulated depreciation		
At beginning of the financial year	7	5
Charge for the financial year	1	2
At end of the financial year	<u>8</u>	<u>7</u>
Net carrying amount		
At end of the financial year	<u>2</u>	<u>3</u>

- (i) As at 31 December 2024, net carrying amount of buildings of RM813,072,000 (2023: RM885,127,000) 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 2024 is a building under construction located in Tianjin City, the PRC of Rmb706,800,000 (equivalent to approximately RM433,339,000) (2023: Rmb739,240,000 or equivalent to approximately RM447,401,000).

- (iv) Analysis of purchase of property, plant and equipment during the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Aggregate costs of purchase of property, plant and equipment	68,068	66,676	-	1
Provisions for restoration costs (Note 29)	(427)	(2,685)	-	-
Cash payments during the financial years	<u>67,641</u>	<u>63,991</u>	<u>-</u>	<u>1</u>

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11. Property, plant and equipment (cont'd.)

- (v) During the financial year ended 31 December 2024, impairment charge of RM31,300,000 (2023: RM3,414,000) 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:

	2024	2023
	%	%
CGU		
Malaysia	10.2	10.7
PRC	13.1	14.4

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 few 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.

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12. Investment properties

Group	2024			2023		
	Completed investment properties ⁽ⁱ⁾ RM'000	IPUC ⁽ⁱⁱ⁾ RM'000	Total RM'000	Completed investment properties ⁽ⁱ⁾ RM'000	IPUC ⁽ⁱⁱ⁾ RM'000	Total RM'000
Cost						
At beginning of the financial year	441,105	135,101	576,206	410,125	135,101	545,226
Additions	-	-	-	24,844	-	24,844
Disposals	-	-	-	(733)	-	(733)
Reclassification to property, plant and equipment (Note 11)	-	-	-	(1,954)	-	(1,954)
Reclassification from non-current assets classified as held for sale (Note 34)	-	58,932	58,932	-	-	-
Exchange differences	(22,335)	-	(22,335)	8,823	-	8,823
At end of the financial year	418,770	194,033	612,803	441,105	135,101	576,206
Accumulated depreciation						
At beginning of the financial year	86,841	-	86,841	69,522	-	69,522
Charge for the financial year	13,417	-	13,417	15,820	-	15,820
Exchange differences	(4,834)	-	(4,834)	1,499	-	1,499
At end of the financial year	95,424	-	95,424	86,841	-	86,841

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12. Investment properties (cont'd.)

Group (cont'd.)	2024			2023		
	Completed investment properties ⁽ⁱ⁾ RM'000	IPUC ⁽ⁱⁱ⁾ RM'000	Total RM'000	Completed investment properties ⁽ⁱ⁾ RM'000	IPUC ⁽ⁱⁱ⁾ RM'000	Total RM'000
Accumulated impairment loss						
At beginning of the financial year	-	23,257	23,257	-	23,257	23,257
Impairment loss for the financial year	-	7,018	7,018	-	-	-
Reclassification from non-current assets classified as held for sale (Note 34)	-	10,576	10,576	-	-	-
At end of the financial year	-	40,851	40,851	-	23,257	23,257
Net carrying amount						
At end of the financial year	323,346	153,182	476,528	354,264	111,844	466,108
Fair value						
At end of the financial year (Note 37(a))	1,961,920	153,396	2,115,316	2,066,560	112,000	2,178,560

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12. Investment properties (cont'd.)

	Group	
	2024	2023
	RM'000	RM'000
Rental income derived from investment properties	131,441	156,909
Direct operating expenses (including repair and maintenance) generating rental income	(13,417)	(15,820)
Profit arose from investment properties	118,024	141,089

- (i) The Group's completed investment properties consist of commercial buildings. The fair values of buildings as at 31 December 2024 and 31 December 2023 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 is located in Melaka, Malaysia and has a leasehold term of 99 years. It is strategically located in a prime area designated for mixed development purposes. The net carrying amount of RM48,356,000 was reclassified from non-current assets classified as held for sale as at 31 December 2024 following the purchaser exercising its right to rescind the sale and purchase agreement subsequent to the current financial year, as further disclosed in Note 34(i).

The fair values of the land as at 31 December 2024 and 31 December 2023 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 2024, net carrying amounts of investment properties of RM474,269,000 (2023: RM463,633,000) are pledged for loan facilities extended to the Group as disclosed in Note 27.

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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 2024	211,783	1,614,797	90	2,440	1,829,110
Additions	-	52,218	-	-	52,218
Increase arising from lease term modification	-	671,028	-	-	671,028
Decrease arising from lease termination	-	(21,371)	-	-	(21,371)
Decrease arising from sublease	-	(9,101)	-	-	(9,101)
Depreciation	(8,435)	(324,672)	(89)	(1,321)	(334,517)
Impairment loss	-	(19,797)	-	-	(19,797)
Reversal of impairment loss	-	3,799	-	-	3,799
Exchange differences	(10,451)	(51,532)	(1)	(90)	(62,074)
At 31 December 2024	192,897	1,915,369	-	1,029	2,109,295

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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 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

Lump sum payments were made upfront to acquire the leased land with lease periods ranging from 42 to 45 years (2023: 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 2024, net carrying amount of leasehold land of RM187,392,000 (2023: RM205,683,000) is pledged with financial institutions for banking facilities extended to the Group as disclosed in Note 27.

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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 2024, impairment charge of RM19,797,000 (2023: RM15,407,000) 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:

	2024	2023
	%	%
CGU		
Malaysia	10.2	10.7
PRC	13.1	14.4

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.

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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	
	2024	2023
	RM'000	RM'000
At beginning of the financial year	2,472,555	2,846,672
Additions arising from new leases	52,218	68,793
Increase/(decrease) arising from:		
- Lease term modification	658,019	(24,333)
- Lease termination	(32,216)	# (65,607)
Rent concessions	(827)	(1,097)
Interest expense	211,122	236,989
Payments	(603,912)	(624,459)
Deconsolidation of subsidiaries	-	(11,092)
Exchange differences	(109,148)	46,689
At end of the financial year	<u>2,647,811</u>	<u>2,472,555</u>
Disclosed as:		
Current	429,728	545,975
Non-current	2,218,083	1,926,580
	<u>2,647,811</u>	<u>2,472,555</u>

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 2024, variable lease payments that are recognised in the consolidated statement of profit or loss amounted to RM70,144,000 (2023: RM87,969,000).

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13. Leases (cont'd.)

The Group as a lessee (cont'd.)

(d) Total cash outflows

During the financial year ended 31 December 2024, the Group had total cash outflows for leases of RM674,056,000 (2023: RM712,428,000).

(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	
	2024	2023
	RM'000	RM'000
Extension options expected not to be exercised		
Within five years	110,436	98,442
More than five years	224,997	233,019
	<u>335,433</u>	<u>331,461</u>

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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 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 and 1 January 2024	1,540,295	12,564	385	50,656	1,603,900
Exchange differences	(68,221)	(636)	2	(2,310)	(71,165)
At 31 December 2024	1,472,074	11,928	387	48,346	1,532,735
Accumulated amortisation					
At 1 January 2023	-	16,242	107	12,786	29,135
Amortisation	-	6	-	-	6
Deconsolidation of subsidiaries	-	(3,980)	-	-	(3,980)
Exchange differences	-	296	-	242	538
At 31 December 2023 and 1 January 2024	-	12,564	107	13,028	25,699
Exchange differences	-	(636)	-	(578)	(1,214)
At 31 December 2024	-	11,928	107	12,450	24,485
Accumulated impairment loss					
At 1 January 2023	331,734	291	62	36,902	368,989
Impairment loss	83,267	-	-	-	83,267
Deconsolidation of subsidiaries	-	(291)	-	-	(291)
Exchange differences	6,135	-	-	726	6,861
At 31 December 2023 and 1 January 2024	421,136	-	62	37,628	458,826
Impairment loss	75,263	-	-	-	75,263
Exchange differences	(17,235)	-	-	(1,732)	(18,967)
At 31 December 2024	479,164	-	62	35,896	515,122
Net carrying amount					
At 31 December 2024	992,910	-	218	-	993,128
At 31 December 2023	1,119,159	-	216	-	1,119,375

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14. Intangible assets (cont'd.)

Company	Club memberships	
	2024 RM'000	2023 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
Goodwill		

During the financial year ended 31 December 2024, impairment charge of RM75,263,000 (2023: RM83,267,000) 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 2024	19,722	973,188	992,910
At 31 December 2023	19,722	1,099,437	1,119,159

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:

	2024 %	2023 %
CGU		
Malaysia	10.2	10.7
PRC	13.1	14.4

14. Intangible assets (cont'd.)

Goodwill (cont'd.)

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.

Apart from using VIU calculation to determine the recoverable amount of CGU, the recoverable amount of one of the subsidiary, Lung Shing International Investments & Development Limited, 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 under the fair value hierarchy 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.

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15. Interests in subsidiaries

	Company	
	2024	2023
	RM'000	RM'000
Unquoted shares, at cost ⁽ⁱ⁾	7,157,920	#
Amount due from a subsidiary ⁽ⁱⁱ⁾	96,577	7,246,677
Share option granted to employees of subsidiaries	21,183	21,183
	7,275,680	7,267,860
Less: Accumulated impairment loss	(4,568,830)	(4,568,830)
	2,706,850	2,699,030
Accumulated impairment loss:		
At beginning of the financial year	4,568,830	4,571,583
Written off upon deconsolidation of subsidiaries	-	(2,753)
At end of the financial year	4,568,830	4,568,830

Represented RM24

- (i) During the financial year, the Company had subscribed for 1,599,999,999 ordinary shares with a par value of USD1.00 each in the capital of East Crest International Limited ("East Crest"), a wholly-owned subsidiary of the Company, by capitalising an amount of USD1,599,999,999 (equivalent to approximately RM7,157,920,000) owed by East Crest to the Company.
- (ii) 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 *		% of ownership interest held by non-controlling interests *	
			2024	2023	2024	2023
<u>Held by the Company (Parkson Holdings Berhad)</u>						
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	-	-

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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 *	
			2024	2023	2024	2023
<u>Held by the Company (Parkson Holdings Berhad) (cont'd.)</u>						
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	-	-
<u>Subsidiaries of East Crest International Limited</u>						
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	-	-
<u>Subsidiary of Parkson Vietnam Investment Holdings Co Ltd</u>						
Parkson TSN Holdings Co Ltd **	British Virgin Islands	Investment holding	100	100	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiary of Parkson Properties Holdings Co Ltd</u>						
Parkson Properties Hanoi Co Ltd **	British Virgin Islands	Dormant	100	100	-	-
<u>Subsidiaries of Prime Yield Holdings Limited</u>						
Dyna Puncak Sdn Bhd	Malaysia	Investment holding	100	100	-	-
Gema Binari Sdn Bhd	Malaysia	Investment holding	100	100	-	-
Prestasi Serimas Sdn Bhd	Malaysia	Investment holding	100	100	-	-
<u>Subsidiary of PRG Corporation Limited</u>						
Parkson Retail Group Limited ("PRGL") + @	Cayman Islands	Investment holding	54.6 */ 0.4	54.6 */ 0.4	45.0	45.0
<u>Subsidiary of PRGL</u>						
Grand Parkson Retail Group Limited +	British Virgin Islands	Investment holding	100	100	-	-
<u>Subsidiaries of Grand Parkson Retail Group Limited</u>						
Leonemas International Limited **	British Virgin Islands	Investment holding	100	100	-	-
Malverest Trading International Limited **	British Virgin Islands	Investment holding	100	100	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiaries of Grand Parkson Retail Group Limited</u> (cont'd.)						
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	-	-
Golden Village Group Limited **	British Virgin Islands	Investment holding	100	100	-	-

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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 *	
			2024	2023	2024	2023
Subsidiaries of Grand Parkson Retail Group Limited (cont'd.)						
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	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiaries of Grand Parkson Retail Group Limited (cont'd.)</u>						
Wide Field International Limited +	Hong Kong SAR	Investment holding	100	100	-	-
Sea Coral Limited +	Hong Kong SAR	Investment holding	100	100	-	-
<u>Subsidiary of Leonemas International Limited</u>						
Leonemas (Hong Kong) Limited +	Hong Kong SAR	Investment holding	100	100	-	-
<u>Subsidiary of Leonemas (Hong Kong) Limited</u>						
Qingdao Lion Plaza Retail Management Co Ltd +	People's Republic of China	Property management	100	100	-	-
<u>Subsidiary of Malverest Trading International Limited</u>						
Malverest (Hong Kong) Limited +	Hong Kong SAR	Investment holding	100	100	-	-
<u>Subsidiary of Malverest (Hong Kong) Limited</u>						
Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiaries of Parkson Retail Development Co Ltd</u>						
Zhangjiakou Parkson Shopping Mall Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
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	-	-
<u>Subsidiary of Oroleon International Limited</u>						
Oroleon (Hong Kong) Limited +	Hong Kong SAR	Investment holding	100	100	-	-
<u>Subsidiaries of Oroleon (Hong Kong) Limited</u>						
Parkson Credit Sdn Bhd ^	Malaysia	Provision of money lending and credit services	100	100	-	-
Parkson Retail Laos Holdings Sdn Bhd	Malaysia	Investment holding	100	100	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiary of Parkson Retail Laos Holdings Sdn Bhd</u>						
Parkson Lao Sole Co Ltd **	Lao People's Democratic Republic	Wholesale and retail trade	100	100	-	-
<u>Subsidiary of Releomont (Hong Kong) Limited</u>						
Anshan Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
<u>Subsidiaries of Exonbury Limited</u>						
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	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiaries of Exonbury Limited</u> (cont'd.)						
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	-	-
<u>Subsidiary of Hong Kong Fen Chai Investment Limited</u>						
Xi'an Lucky King Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	^{*3} 91 9	^{*3} 91 9	-	-
<u>Subsidiary of Xi'an Lucky King Parkson Plaza Co Ltd</u>						
Shanxi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	100	100	-	-
<u>Subsidiary of Shanghai Lion Parkson Investment Consultant Co Ltd</u>						
Shanghai Lion Parkson Management Consultant Co Ltd +	People's Republic of China	Provision of consultancy and management services	100	100	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiary of Shanghai Lion Parkson Management Consultant Co Ltd</u>						
Shanghai Shihong Supermarket Co Ltd + (Dissolved on 7.11.2024)	People's Republic of China	Operation of gourmet supermarkets	-	100	-	-
<u>Subsidiaries of Parkson Investment Holdings Co Ltd</u>						
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	Ceased operation	49.5 *4 30.3 *5 20.2	100	-	-
Zigong Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
Shanghai Parkson Food & Beverage Management Co Ltd + (Dissolved on 8.1.2025)	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	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiaries of Parkson Investment Holdings Co Ltd (cont'd.)</u>						
Shaoxing Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	80.6 ^{*6} 19.4	80.6 ^{*6} 19.4	-	-
Shanghai Shijie Fashions Co Ltd +	People's Republic of China	Sale of apparel	60.7 ^{*7} 35.7 ^{*8} 3.6	- - ^{*8} 100	-	-
<u>Subsidiary of Shanghai Xinzhuang Parkson Retail Development Co Ltd</u>						
Hunan Changsha Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
<u>Subsidiary of Parkson Investment Pte Ltd</u>						
Rosenblum Investments Pte Ltd ^f	Singapore	Investment holding	100	100	-	-
<u>Subsidiaries of Parkson Supplies Pte Ltd</u>						
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 ^{*6} 40	60 ^{*6} 40	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiaries of Parkson Supplies Pte Ltd (cont'd.)</u>						
Sichuan Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores and outlets	100	100	-	-
<u>Subsidiary of Creation International Investment & Development Limited</u>						
Creation (Hong Kong) Investment & Development Limited +	Hong Kong SAR	Provision of consultancy services	100	100	-	-
<u>Subsidiaries of Step Summit Limited</u>						
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	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiaries of Shanghai Hongqiao Parkson Development Co Ltd</u>						
Changshu Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
Changzhou Lion Food & Beverage Co Ltd + (Dissolved on 24.6.2024)	People's Republic of China	Food and beverage management services	-	100	-	-
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	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	^{*9} 51 49	^{*9} 51 49	-	-
Qingdao Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiary of Global Heights Investment Limited</u>						
Asia Victory International Limited **	British Virgin Islands	Domestic and cross-border trading	100	100	-	-
<u>Subsidiary of Asia Victory International Limited</u>						
Shunhe International Investment Limited +	Hong Kong SAR	Provision of consultancy services	100	100	-	-
<u>Subsidiary of Shunhe International Investment Limited</u>						
Kunming Yun Shun He Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
<u>Subsidiaries of Kunming Yun Shun He Retail Development Co Ltd</u>						
Guizhou Zunyi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	90 *10 10	90 *10 10	-	-
Liupanshui Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiaries of Kunming Yun Shun He Retail Development Co Ltd (cont'd.)</u>						
Suzhou Parkson Changfa Commercial Management Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
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 *11 20 *12 20	60 *11 20 *12 20	-	-
Parkson Business Commerce Sole Co Ltd **	Lao People's Democratic Republic	Operation of department stores	100	100	-	-
<u>Subsidiaries of Golden Village Group Limited</u>						
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	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiaries of Jiangxi Parkson Shopping Centre Management Co Ltd</u>						
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	100	-	-
<u>Subsidiary of Lung Shing International Investments & Development Limited</u>						
Anshan Lung Shing Property Services Co Ltd +	People's Republic of China	Property management	100	100	-	-
<u>Subsidiary of Capital Park Development Limited</u>						
Capital Park (HK) Investment & Development Limited +	Hong Kong SAR	Investment holding	100	100	-	-
<u>Subsidiary of Capital Park (HK) Investment & Development Limited</u>						
Wuxi Sanyang Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	60	60	40	40

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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 *	
			2024	2023	2024	2023
<u>Subsidiary of Lion Food & Beverage Ventures Limited</u>						
Parkson Food & Beverage Ventures Limited +	Hong Kong SAR	Investment holding	100	100	-	-
<u>Subsidiary of Victory Hope Limited</u>						
Nanning Brilliant Parkson Commercial Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	^{*13} 70 30	^{*13} 70 30	-	-
<u>Subsidiary of Nanning Brilliant Parkson Commercial Co Ltd</u>						
Wuzhou Fashion Parkson Business Management Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
<u>Subsidiaries of Great Dignity Development Limited</u>						
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	100	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiary of Parkson Venture Pte Ltd</u>						
Qingdao No. 1 Parkson Co Ltd +	People's Republic of China	Operation of department stores	95.9	95.9	4.1	4.1
<u>Subsidiary of Wide Field International Limited</u>						
Shenyang Parkson Shopping Plaza Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
<u>Subsidiaries of PRA</u>						
Parkson Corporation Sdn Bhd	Malaysia	Operation of department stores and related trading activities including e-commerce activities	100	100	-	-
Centro Retail Pte Ltd ^f	Singapore	Investment holding	100	100	-	-
PT Tozy Sentosa (In Bankruptcy)	Indonesia	Ceased operation	^{*14} 90 10	^{*14} 90 10	-	-
Parkson Myanmar Co Pte Ltd ^f	Singapore	Investment holding	100	100	-	-
Parkson Yangon Company Limited **	Myanmar	Dormant	^{*15} 95 5	^{*15} 95 5	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiaries of Parkson Corporation Sdn Bhd</u>						
Parkson Vietnam Co Ltd ^f (Note 15(a))	Vietnam	Ceased operation	100	100	-	-
Parkson Haiphong Co Ltd ^f	Vietnam	Dormant	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	Dormant	100	100	-	-
Parkson Private Label Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	100	100	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiaries of Parkson Corporation Sdn Bhd (cont'd.)</u>						
Parkson Trading (Vietnam) Company Limited ^f	Vietnam	Dormant	100	100	-	-
Solid Gatelink Sdn Bhd	Malaysia	Operation of food and beverage businesses	100	100	-	-
Parkson Trends Sdn Bhd	Malaysia	Dormant	100	100	-	-
<u>Subsidiary of Parkson Vietnam Co Ltd</u>						
Parkson Vietnam Management Services Co Ltd ^f	Vietnam	Dormant	100	100	-	-
<u>Subsidiary of Parkson Cambodia Holdings Co Ltd</u>						
Parkson (Cambodia) Co Ltd ^{**}	Cambodia	Dormant	100	100	-	-
<u>Subsidiary of Parkson Myanmar Co Pte Ltd</u>						
Parkson Myanmar Investment Company Pte Ltd ^f	Singapore	Investment holding	70	70	30	30

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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 *	
			2024	2023	2024	2023
<u>Subsidiary of Parkson Myanmar Investment Company Pte Ltd</u>						
Myanmar Parkson Company Limited **	Myanmar	Dormant	100	100	-	-
<u>Subsidiary of Parkson TSN Holdings Co Ltd</u>						
Parkson HBT Properties Co Ltd **	Vietnam	Real estate consulting and management services	100	100	-	-
<u>Subsidiaries of Dyna Puncak Sdn Bhd</u>						
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	-	-
<u>Subsidiary of Idaman Erajuta Sdn Bhd</u>						
Festival City Sdn Bhd	Malaysia	Operation of department stores and property management	100	100	-	-
<u>Subsidiary of Magna Rimbun Sdn Bhd</u>						
Megan Mastika Sdn Bhd	Malaysia	Property management and investment holding	100	100	-	-

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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 *	
			2024	2023	2024	2023
<u>Subsidiary of Megan Mastika Sdn Bhd</u>						
Dimensi Andaman Sdn Bhd ^f	Malaysia	Investment holding, property development and project management	100	100	-	-
<u>Subsidiary of True Excel Investments Limited</u>						
True Excel Investments (Cambodia) Co Ltd **	Cambodia	Investment holding	100	100	-	-
<u>Subsidiary of Gema Binari Sdn Bhd</u>						
Parkson Branding Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	100	100	-	-
<u>Subsidiary of Prestasi Serimas Sdn Bhd</u>						
Ombrello Resources Sdn Bhd ^f (Dissolved on 10.2.2025)	Malaysia	Ceased operation	100	100	-	-

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 (f) which are audited by other firms.

* Equals to the proportion of voting rights held.

** The financial statements are examined for the purpose of consolidation.

15. Interests in subsidiaries (cont'd.)

*1 Held by East Crest International Limited.

*2 Held by Parkson Investment Pte Ltd.

*3 Held by Huge Return Investment Limited.

*4 Held by Hunan Changsha Shishang Parkson Retail Development Co Ltd.

*5 Held by Mianyang Fulin Parkson Plaza Co Ltd.

*6 Held by Shanghai Hongqiao Parkson Development Co Ltd.

*7 Held by Parkson Retail Development Co Ltd.

*8 Held by Shanghai Lion Parkson Investment Consultant Co Ltd.

*9 Held by Creation (Hong Kong) Investment & Development Limited.

*10 Held by Parkson Investment Holdings Co Ltd.

*11 Held by Xi'an Lucky King Parkson Plaza Co Ltd.

*12 Held by Nanning Brilliant Parkson Commercial Co Ltd.

*13 Held by Hanmen Holdings Limited.

*14 Held by Centro Retail Pte Ltd.

*15 Held by Parkson Myanmar Co Pte Ltd.

β Listed on the Singapore Exchange Securities Trading Limited.

@ Listed on The Stock Exchange of Hong Kong Limited.

^ During the financial year, a special purpose vehicle known as Pinnacle Yields Sdn Bhd ("Pinnacle Yields") was set up for the sole purpose of undertaking an asset-backed Islamic medium term note programme of up to RM1 billion in nominal value based on the Shariah principle of Wakalah Bi-Al Istithmar ("Sukuk") which involves the purchases of eligible hire purchase receivables from Parkson Credit Sdn Bhd ("Parkson Credit") from time to time. The purchases of hire purchase receivables meeting certain pre-determined eligibility criteria are funded by the proceeds from the issuance of Sukuk by Pinnacle Yields. Details of the Sukuk are disclosed in Note 27(ii).

In accordance with MFRS 10 Consolidated Financial Statements, Parkson Credit has control over Pinnacle Yields as Parkson Credit has (a) the rights to variable returns from its involvement with Pinnacle Yields; and (b) the ability to affect the amount of its returns. Accordingly, the financial statements of Pinnacle Yields are consolidated into the financial statements of Parkson Credit and the Company.

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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:

	2024	2023
	%	%
CGU		
Malaysia	10.2	10.7
PRC	13.1	14.4

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.

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 temporarily suspended the civil case in relation to the leased premises at Saigon Tourist Plaza.
- On 29 January 2024, the Court had temporarily suspended the civil case in relation to the leased premises in Danang, Vietnam.

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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 were 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
	<u>-</u>
Cash and cash equivalents of subsidiaries, representing net cash outflow on deconsolidation of subsidiaries	<u>(209)</u>

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15. Interests in subsidiaries (cont'd.)

(b) 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	2024 %	2023 %
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 Malaysia and the PRC respectively.

	Group	
	2024	2023
	RM'000	RM'000
Accumulated net assets balances of non-controlling interests:		
PRA	40,459	11,655
PRGL	854,416	970,516
Total	894,875	982,171
Profit/(loss) allocated to non-controlling interests:		
PRA	26,303	27,385
PRGL	(51,464)	20,729
Total	(25,161)	48,114

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15. Interests in subsidiaries (cont'd.)

(b) 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
(i) <u>Summarised statements of financial position</u>				
Non-current assets	530,369	549,706	5,232,240	5,219,145
Current assets	535,900	477,417	1,766,808	1,960,049
Non-current liabilities	(400,503)	(421,130)	(3,529,029)	(3,175,935)
Current liabilities	(538,786)	(568,944)	(1,556,590)	(1,835,238)
Non-controlling interests	332	317	(43,972)	(46,630)
Total equity	127,312	37,366	1,869,457	2,121,391
Attributable to non-controlling interests	40,459	11,655	854,416	970,516
(ii) <u>Summarised statements of profit or loss</u>				
Revenue	731,499	756,279	2,051,060	2,344,345
Profit/(loss) for the financial year	82,146	85,546	(114,623)	38,749
Attributable to non-controlling interests	26,303	27,385	(51,464)	20,729
Dividends paid to non-controlling interests	-	-	(14,401)	(8,129)

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15. Interests in subsidiaries (cont'd.)

(b) 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
(iii) <u>Summarised statements</u>				
<u>of other comprehensive</u>				
<u>income</u>				
Other comprehensive				
income/(loss) attributable				
to non-controlling interests:				
- Change in fair value of				
financial assets	-	13	-	-
- Foreign currency				
translation	2,500	2,349	(50,234)	8,225
(iv) <u>Summarised statements</u>				
<u>of cash flows</u>				
Operating activities	251,154	185,236	346,890	655,750
Investing activities	(23,406)	10,080	12,852	151,586
Financing activities	(176,725)	(192,935)	(452,825)	(662,340)
Net increase/(decrease)				
in cash and cash				
equivalents	51,023	2,381	(93,083)	144,996

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16. Investments in associates

	Group	
	2024	2023
	RM'000	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	7,759	8,986
Less: Accumulated impairment loss	(10,987)	(10,987)
	32,171	33,398
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 *	
			2024	2023
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

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16. Investments in associates (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *	
			2024	2023
AUM Hospitality Sdn Bhd (Under court liquidation)	Malaysia	Ceased operation	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.

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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
2024			
(i) <u>Summarised statements of financial position</u>			
Non-current assets	85,482	18	85,500
Current assets	166,620	10,122	176,742
Total assets	252,102	10,140	262,242
Non-current liabilities	65,111	-	65,111
Current liabilities	125,096	4,876	129,972
Total liabilities	190,207	4,876	195,083
Net assets	61,895	5,264	67,159
(ii) <u>Summarised statements of profit or loss</u>			
Revenue	504,900	19,044	523,944
Profit for the financial year	17,849	1,274	19,123
(iii) Dividend received from associates	(8,291)	(140)	(8,431)
(iv) Group's share of net assets, representing carrying amount of Group's interest in associates	30,329	1,842	32,171
(v) Group's share of results of associates	8,746	446	9,192

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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
2023			
(i) <u>Summarised statements of financial position</u>			
Non-current assets	187,656	20	187,676
Current assets	128,201	8,084	136,285
Total assets	<u>315,857</u>	<u>8,104</u>	<u>323,961</u>
Non-current liabilities	111,598	-	111,598
Current liabilities	139,435	3,436	142,871
Total liabilities	<u>251,033</u>	<u>3,436</u>	<u>254,469</u>
Net assets	<u>64,824</u>	<u>4,668</u>	<u>69,492</u>
(ii) <u>Summarised statements of profit or loss</u>			
Revenue	565,756	20,520	586,276
Profit for the financial year	<u>16,472</u>	<u>397</u>	<u>16,869</u>
(iii) Dividend received from associates	<u>(2,677)</u>	<u>(57)</u>	<u>(2,734)</u>
(iv) Group's share of net assets, representing carrying amount of Group's interest in associates	<u>31,764</u>	<u>1,634</u>	<u>33,398</u>
(v) Group's share of results of associates	<u>8,071</u>	<u>139</u>	<u>8,210</u>

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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	
	2024	2023
	RM'000	RM'000
Profit/loss for the financial year	-	-
Group's cumulative share of unrecognised loss	(2,254)	(2,374)

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. Those non-material associates were either dormant, had ceased operation or under court liquidation.

17. Investments in joint ventures

	Group	
	2024	2023
	RM'000	RM'000
Unquoted shares outside Malaysia, at cost	**	**
Less: Accumulated impairment loss	**	-
	-	**

** Represent RM3

Details of joint ventures are as follows:

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *	
			2024	2023
Marlow House Asia Limited &	British Virgin Islands	Investment holding	50	50

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17. Investments in joint ventures (cont'd.)

Details of joint ventures are as follows: (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *	
			2024	2023
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

* 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.

& No statutory requirement for the financial statements to be audited.

⁽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 2024 and 31 December 2023 as disclosed in Note 34(ii).

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17. Investments in joint ventures (cont'd.)

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.

There are no material contingent liability and capital commitment relating to joint ventures as at 31 December 2024 and 31 December 2023.

Summarised financial information and Group's share of results of Xinjiang Youhao Parkson Development Co Ltd, a joint venture that was dissolved in August 2023, were set out below. The summarised financial information represented the amounts in the financial statements of the joint venture and not the Group's share of those amounts.

	Group 2023 RM'000
(i) <u>Summarised statements of profit or loss</u>	
Revenue	-
Profit for the financial year	<u>14,059</u>
(ii) Dividend received from joint venture	<u>(15,573)</u>
(iii) Group's share of results of joint venture	<u>7,170</u>

The summarised aggregate financial information of the Group's other individually non-material joint ventures is set out below:

	Group 2024 RM'000	2023 RM'000
Profit/(loss) for the financial year	<u>87</u>	<u>(9)</u>

The Group has not recognised profit/loss arising from these other individually non-material joint ventures when its share of losses exceeds the Group's interest in the joint ventures.

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18. Deferred tax assets/(liabilities)

	Group	
	2024	2023
	RM'000	RM'000
At beginning of the financial year	37,922	11,363
Recognised in profit or loss (Note 9)	42,100	26,935
Exchange differences	(2,138)	(376)
At end of the financial year	<u>77,884</u>	<u>37,922</u>
Presented after appropriate offsetting as follows:		
Deferred tax assets	186,651	184,537
Deferred tax liabilities	(108,767)	(146,615)
	<u>77,884</u>	<u>37,922</u>

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 2024	2,791	41,310	134,783	5,653	184,537
Recognised in profit or loss	1,687	6,534	(1,350)	3,790	10,661
Exchange differences	(1)	(2,284)	(5,853)	(409)	(8,547)
At 31 December 2024	<u>4,477</u>	<u>45,560</u>	<u>127,580</u>	<u>9,034</u>	<u>186,651</u>
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	<u>2,791</u>	<u>41,310</u>	<u>134,783</u>	<u>5,653</u>	<u>184,537</u>

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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 2024	(11)	(105,141)	(34,459)	(7,004)	(146,615)
Recognised in profit or loss	11	4,940	26,192	296	31,439
Exchange differences	-	5,165	897	347	6,409
At 31 December 2024	-	(95,036)	(7,370)	(6,361)	(108,767)
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)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024 RM'000	2023 RM'000
Unused tax losses	1,054,360	925,438
Unabsorbed capital allowances	23,851	25,235
Other temporary differences	5,144	18,127
	1,083,355	968,800
Deferred tax at respective jurisdiction's applicable tax rate, if recognised	268,486	239,551

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.

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.

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18. Deferred tax assets/(liabilities) (cont'd.)

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	
	2024	2023
	RM'000	RM'000
Non-current		
Amounts due from subsidiaries	809	2,911
Less: Allowance for expected credit loss ("ECL")	(809)	(2,890)
	<u>-</u>	<u>21</u>
Current		
Amounts due from subsidiaries	5,120	5,041
Less: Allowance for ECL	(4,890)	(1,538)
	<u>230</u>	<u>3,503</u>
Total amounts due from subsidiaries	<u>230</u>	<u>3,524</u>
Movement in allowance for ECL:		
At beginning of the financial year	4,428	34,082
Charge for the financial year	3,352	-
Reversal during the financial year	(2,081)	(29,654)
At end of the financial year	<u>5,699</u>	<u>4,428</u>

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.

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20. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Non-current				
Trade receivables ⁽ⁱ⁾				
Third parties	421,283	258,209	-	-
Less: Allowance for ECL	(6,133)	(5,109)	-	-
Trade receivables, net	415,150	253,100	-	-
Current				
Trade receivables ⁽ⁱ⁾				
Third parties	236,807	215,307	-	-
Less: Allowance for ECL	(5,517)	(6,325)	-	-
Trade receivables, net	231,290	208,982	-	-
Other receivables				
Sundry receivables ⁽ⁱⁱ⁾	177,286	203,469	2	2
Less: Allowance for ECL	(18,485)	(20,325)	-	-
	158,801	183,144	2	2
Prepayments	30,097	31,948	-	-
Less: Allowance for ECL	(12,073)	(12,716)	-	-
	18,024	19,232	-	-
Deposits	148,211	88,295	12	12
Less: Allowance for ECL	(34,414)	(21,520)	-	-
	113,797	66,775	12	12
Amounts due from associates and joint ventures ⁽ⁱⁱⁱ⁾	1,000	7,810	-	-
Less: Allowance for ECL	(1,000)	(7,810)	-	-
	-	-	-	-
Amounts due from related parties ^(iv)	117	221	113	113
Less: Allowance for ECL	(113)	(113)	(113)	(113)
	4	108	-	-
Lease prepayments	6,885	53,727	-	-
Lease receivables from subleases (Note 21)	57,264	67,094	-	-
Other receivables, net	354,775	390,080	14	14
Total current trade and other receivables	586,065	599,062	14	14

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20. Trade and other receivables (cont'd.)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Trade and other receivables (as above)				
- Non-current	415,150	253,100	-	-
- Current	586,065	599,062	14	14
Total trade and other receivables	1,001,215	852,162	14	14
Add: Deposits, cash and bank balances (Note 23)	1,395,090	1,494,844	5,198	952
Add: Lease deposits and other deposits	14,294	136,714	-	-
Add: Long term lease receivables from subleases (Note 21)	36,467	91,062	-	-
Add: Amounts due from subsidiaries (Note 19)	-	-	230	3,524
Less: Prepayments	(18,024)	(19,232)	-	-
Less: Lease prepayments	(6,885)	(53,727)	-	-
Total financial assets carried at amortised cost	2,422,157	2,501,823	5,442	4,490

(i) Trade receivables

Included in trade receivables are loan receivables from credit services segment of RM599,489,000 (2023: RM383,036,000).

(ii) Sundry receivables

Sundry receivables comprise the following:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Advances to suppliers	15,695	16,864	-	-
Operating lease receivables	91,668	108,796	-	-
Accrued interest on deposits	1,097	3,267	-	-
Others	68,826	74,542	2	2
	177,286	203,469	2	2

Sundry receivables are non-interest bearing with average credit terms ranging from 1 to 90 days (2023: 1 to 90 days).

20. Trade and other receivables (cont'd.)**(iii) Amounts due from associates and joint ventures**

Included in amounts due from associates and joint ventures as at 31 December 2024 are loans from a joint venture of RM1,000,000 (2023: RM2,000,000).

(iv) 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.

Trade receivables

Trade receivables consist of mainly loan 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 (2023: payment in advance to 30 days).

Other information on financial risks of trade and other receivables are disclosed in Note 38.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2024	2023
	RM'000	RM'000
Within 1 year	231,290	208,982
1 to 2 years	169,790	111,569
Over 2 years	245,360	141,531
	646,440	462,082

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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 2024 and 31 December 2023:

	← Credit services →			Others	
	12-month ECLs	← Lifetime ECLs →		Simplified approach	Total
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	RM'000	RM'000
At 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 and 1 January 2024	298	2,386	7,828	922	11,434
Charge for the financial year	41	703	17,758	-	18,502
Reversal of impairment loss	-	-	-	(54)	(54)
Written off	-	-	(17,095)	(18)	(17,113)
Exchange differences	-	(1)	(1,131)	13	(1,119)
At 31 December 2024	339	3,088	7,360	863	11,650

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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	
	2024	2023
	RM'000	RM'000
Sundry receivables - nominal amounts	18,485	20,325
Less: Allowance for ECL	(18,485)	(20,325)
	-	-
Prepayments - nominal amounts	12,073	12,716
Less: Allowance for ECL	(12,073)	(12,716)
	-	-
Deposits - nominal amounts	34,414	21,520
Less: Allowance for ECL	(34,414)	(21,520)
	-	-
Amounts due from associates and joint ventures		
- nominal amounts	1,000	7,810
Less: Allowance for ECL	(1,000)	(7,810)
	-	-
Amounts due from related parties - nominal amounts	113	113
Less: Allowance for ECL	(113)	(113)
	-	-
	Company	
	2024	2023
	RM'000	RM'000
Amounts due from related parties - nominal amounts	113	113
Less: Allowance for ECL	(113)	(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 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
and 1 January 2024							
Charge for the financial year	18,502	-	-	13,839	-	-	32,341
Reversal of impairment loss	(54)	(1,215)	-	-	(1,000)	-	(2,269)
Written off	(17,113)	-	-	-	(5,810)	-	(22,923)
Exchange differences	(1,119)	(625)	(643)	(945)	-	-	(3,332)
At 31 December 2024	11,650	18,485	12,073	34,414	1,000	113	77,735

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21. Other receivables

	Group	
	2024	2023
	RM'000	RM'000
Non-current		
Lease receivables from subleases ⁽ⁱ⁾	36,467	91,062
Lease deposits	21,609	83,063
Other deposit ⁽ⁱⁱ⁾	66,598	68,399
Lease prepayments	-	80
	124,674	242,604
Less: Allowance for ECL	(73,913)	(14,748)
	50,761	227,856
Movement in allowance for ECL:		
At beginning of the financial year	14,748	14,323
Charge for the financial year	60,995	-
Exchange differences	(1,830)	425
At end of the financial year	73,913	14,748

- (i) 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	
	2024	2023
	RM'000	RM'000
At beginning of the financial year	158,156	283,669
Addition arising from new leases	8,734	22,642
Accretion of interest recognised during the financial year	10,502	19,219
Decrease arising from lease term modification	(14,204)	(3,099)
Proceeds from subleases	(63,231)	(82,757)
Loss on termination of subleases	-	(97,046)
Exchange differences	(6,226)	15,528
At end of the financial year	93,731	158,156
Disclosed as:		
Current (Note 20)	57,264	67,094
Non-current	36,467	91,062
	93,731	158,156

- (ii) Other deposit represents an amount of US\$14,884,000 (2023: US\$14,884,000) paid for the progress billings from the proposed lease and acquisition of a retail mall in Cambodia.

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22. Investment securities

	Group	
	2024	2023
	RM'000	RM'000
Non-current		
Financial assets at fair value through other comprehensive income ("FVOCI"):		
- Unquoted equity securities ⁽ⁱ⁾	1,573	1,568
Current		
Financial assets at fair value through profit or loss ("FVPL"):		
- Wealth management products ⁽ⁱⁱ⁾	40,885	37,159
Total investment securities	42,458	38,727

- (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 37(a). Movement of wealth management products during the financial year is as follows:

	Group	
	2024	2023
	RM'000	RM'000
At beginning of the financial year	37,159	68,477
Additions during the financial year	41,691	31,904
Redemption during the financial year	(36,956)	(65,230)
Change of fair value (Note 7)	901	533
Exchange differences	(1,910)	1,475
At end of the financial year	40,885	37,159

23. Deposits, cash and bank balances

	Group	
	2024	2023
	RM'000	RM'000
Non-current		
Time deposits, representing total non-current deposits, cash and bank balances	16,064	17,567

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23. Deposits, cash and bank balances (cont'd.)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current				
Deposits, cash and bank balances:				
Cash on hand and at banks				
- Malaysia	15,437	44,847	1,394	822
- Foreign	794,310	781,637	154	130
Restricted - Foreign	39,238	64,703	-	-
Deposits with:				
Licensed banks				
- Malaysia	106,517	154,070	3,650	-
- Foreign	125,524	272,020	-	-
Licensed finance companies in Malaysia	298,000	160,000	-	-
Total current deposits, cash and bank balances	1,379,026	1,477,277	5,198	952
Deposits, cash and bank balances (as above)				
- Non-current	16,064	17,567	-	-
- Current	1,379,026	1,477,277	5,198	952
Total deposits, cash and bank balances	1,395,090	1,494,844	5,198	952
Less:				
Time deposits with original maturity of more than three months when acquired	(5,012)	(10,761)	-	-
Pledged deposits	(50,120)	(51,101)	-	-
Bank overdrafts (Note 27)	(191)	(731)	-	-
Cash and cash equivalents	1,339,767	1,432,251	5,198	952

As at 31 December 2024, deposits with licensed banks and time deposits of the Group amounting to a total of RM33,442,000 (2023: RM33,599,000) 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 RM16,678,000 (2023: RM17,502,000) held in designated bank accounts for performance guarantees.

The deposits, cash and bank balances of the subsidiaries in the PRC which amounted to RM844,589,000 (2023: RM1,015,067,000) 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.

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23. Deposits, cash and bank balances (cont'd.)

The average effective interest rates of deposits of the Group at the reporting date are as follows:

	Group	
	2024	2023
	%	%
Licensed banks	3.3	3.6
Licensed finance companies	3.4	3.6

Deposits of the Group have varying periods of between 1 day and 36 months (2023: 1 day and 36 months). Bank balances are deposits held at call with licensed banks.

24. Inventories

	Group	
	2024	2023
	RM'000	RM'000
At costs:		
Merchandise inventories	331,918	355,115
Consumables	2,057	2,227
Total	333,975	357,342

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM1,229,572,000 (2023: RM1,433,414,000).

The amounts of inventories written down of RM327,000 (2023: RM190,000) and write back of inventory obsolescence of RM1,798,000 (2023: Nil) were recognised in profit or loss during the financial year.

25. Share capital

Group/Company	Number of ordinary shares		Amount	
	2024	2023	2024	2023
	'000	'000	RM'000	RM'000
Issued share capital:				
At beginning/end of the financial year	1,148,902	1,148,902	2,160,580	2,160,580

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	Capital reserves RM'000	Merger deficit RM'000	Premium on acquisition of non-controlling interests RM'000	Fair value reserve of financial assets at FVOCI RM'000	Total RM'000
	(a)	(b)	(c)				
At 1 January 2024	377,852	89,254	107,659	(2,071,102)	(3,843)	468	(1,499,712)
Other comprehensive income/ (loss) for the financial year							
Foreign currency translation	(82,662)	(8,221)	(9,250)	-	-	(38)	(100,171)
Less: Non-controlling interests	39,855	3,702	4,165	-	-	12	47,734
	(42,807)	(4,519)	(5,085)	-	-	(26)	(52,437)
Transactions with owners							
Transfer to capital reserves, representing total transactions with owners	-	-	63	-	-	-	63
At 31 December 2024	335,045	84,735	102,637	(2,071,102)	(3,843)	442	(1,552,086)

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 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 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)

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26. Other reserves (cont'd.)

Company	Capital redemption reserve	
	2024	2023
	RM'000	RM'000
At beginning/end of the financial year	<u>2,905,831</u>	<u>2,905,831</u>

(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.

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27. Loans and borrowings

	Group	
	2024	2023
	RM'000	RM'000
Current		
Secured:		
<u>Financial institutions</u>		
Bank loans - Rmb denominated	61,310	-
Bank loans - HK\$ denominated	-	58,302
Sukuk	89,906	-
Revolving financing	13,726	45,897
Bankers' acceptance	5,903	5,865
Bank overdrafts	191	731
<u>Non-financial institutions</u>		
Lenders from non-financial institutions	98,437	124,072
Total current loans and borrowings	<u>269,473</u>	<u>234,867</u>
Non-current		
Secured:		
<u>Financial institutions</u>		
Bank loans - Rmb denominated	1,420,743	-
Bank loans - HK\$ denominated	-	1,414,475
Sukuk	115,423	-
Revolving financing	22,007	90,603
Total non-current loans and borrowings	<u>1,558,173</u>	<u>1,505,078</u>
Total loans and borrowings	<u>1,827,646</u>	<u>1,739,945</u>
Total loans and borrowings		
Bank loans	1,482,053	1,472,777
Sukuk	205,329	-
Revolving financing	35,733	136,500
Bankers' acceptance	5,903	5,865
Lenders from non-financial institutions	98,437	124,072
Bank overdrafts	191	731
	<u>1,827,646</u>	<u>1,739,945</u>
Maturity of loans and borrowings:		
Within one year	269,473	234,867
More than one year and less than two years	184,906	1,505,078
More than two years and less than five years	1,373,267	-
	<u>1,827,646</u>	<u>1,739,945</u>

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27. Loans and borrowings (cont'd.)

A reconciliation of liabilities arising from financing activities of the Group is as follows:

	At 1.1.2024 RM'000	Proceeds RM'000	Repayment RM'000	Exchange differences RM'000	At 31.12.2024 RM'000
Bank loans	1,472,777	1,514,357	(1,475,619)	(29,462)	1,482,053
Sukuk	-	205,329	-	-	205,329
Revolving financing	136,500	52,889	(153,656)	-	35,733
Bankers' acceptance	5,865	11,029	(11,006)	15	5,903
Lenders from non-financial institutions	124,072	-	(22,504)	(3,131)	98,437
Total	1,739,214	1,783,604	(1,662,785)	(32,578)	1,827,455

	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

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27. Loans and borrowings (cont'd.)

The weighted average effective interest rates at the reporting date for loans and borrowings are as follows:

	Group	
	2024	2023
	%	%
Bank loans	3.1	7.1
Sukuk	6.2	-
Revolving financing	6.6	6.6
Bankers' acceptance	4.5	4.5
Lenders from non-financial institutions	14.3	14.0
Bank overdrafts	7.6	7.6

- (i) On 15 March 2024, the Group, as borrower, had 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 RM1,532,750,000) ("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. The Group had in June 2024, drawn down Rmb2,470,000,000 (equivalent to approximately RM1,514,357,000) to fully settle the HK\$ denominated bank loans.

As at 31 December 2024, bank loans of the Group denominated in Rmb are secured by property, plant and equipment, investment properties and land use rights with total net carry amount of RM1,321,551,000. As at 31 December 2023, bank loans of the Group denominated in HK\$ were secured by property, plant and equipment, investment properties and land use rights with total net carrying amount of RM1,442,599,000.

- (ii) During the financial year ended 31 December 2024, Pinnacle Yields Sdn Bhd ("Pinnacle Yields"), the special purpose vehicle set up for the sole purpose of undertaking the asset-backed Islamic medium term note programme of up to RM1 billion in nominal value based on the Shariah principle of Wakalah Bi-Al Istithmar ("Sukuk") as mentioned in Note 15, had issued the first tranche of Sukuk amounting to RM273 million, of which RM68 million was subscribed by Parkson Credit Sdn Bhd.

The Sukuk is constituted by a trust deed dated 27 November 2024 made between Pinnacle Yields and the trustee for the holders of the Sukuk.

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27. Loans and borrowings (cont'd.)

(ii) (cont'd.)

The main features of the Sukuk are as follows:

- The maximum issue size of the RM1 billion Sukuk consists of a multiple series of Class A and Class B;
- All Sukuk under the first tranche were issued at par and have maturity tenures ranging from 2 to 5 years;
- As at 31 December 2024, the Class A Sukuk bears effective profit rate of 6.24% per annum, payable monthly in arrears with the last profit payment to be made on the respective maturity dates; and
- As at 31 December 2024, the Class B Sukuk bears effective profit rate of 70% per annum, payable monthly in arrears with the last profit payment to be made on the respective maturity dates.

The Sukuk is secured by the following:

- First fixed charge of all its present and future assets of Pinnacle Yields;
- First assignment of all its present and future rights, titles, benefits and interests in and under each of the assigned documents, and all benefits and all other revenue or income of Pinnacle Yields;
- First assignment of all its present and future rights to pursue any action, proceeding, suit or arbitration arising in relation to any of the rights assigned to the trustee and to enforce such rights in the name of the trustee or of Pinnacle Yields; and
- First floating charge of all assets of Pinnacle Yields.

As at 31 December 2024, the Sukuk is secured by, among others, trade receivables of RM228,048,000 which are assigned to Pinnacle Yields.

- (iii) As at 31 December 2024, revolving financing of the Group of RM35,733,000 (2023: RM136,500,000) is secured by trade receivables of RM26,876,000 (2023: RM134,230,000) and unrealised receivables of RM63,607,000 (2023: RM50,965,000) which will be due within 48 months.
- (iv) As at 31 December 2024, bankers' acceptance, bank overdrafts and bank guarantee facilities of the Group are secured by deposits with licensed banks of RM33,442,000 (2023: RM33,599,000).
- (v) As at 31 December 2024, amounts due to lenders from non-financial institutions of RM76,066,000 (2023: RM78,124,000) and RM22,371,000 (2023: RM45,948,000) are secured by an investment property with a carrying amount of RM153,182,000 (2023: RM160,200,000), and 924,200,000 ordinary shares (2023: 924,200,000 ordinary shares) of HK\$0.02 each in the capital of PRGL, respectively.

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28. Long term payables

	Group	
	2024	2023
	RM'000	RM'000
Rental deposits	1,636	1,076

Non-current rental deposits have maturity ranging from 2 to 13 years (2023: 2 to 13 years). The rental deposits are initially recognised at their fair values.

29. Provisions

	Group	
	2024	2023
	RM'000	RM'000
Non-current	19,988	20,501
Current	5,658	4,173
Total	25,646	24,674

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	
	2024	2023
	RM'000	RM'000
At beginning of the financial year	24,674	23,033
Arose during the financial year	427	2,685
Reversed during the financial year	(265)	(1,692)
Unwinding of discount	733	890
Exchange differences	77	(242)
At end of the financial year	25,646	24,674

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30. Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current				
Trade and other payables:				
Trade payables ⁽ⁱ⁾	672,623	772,220	-	-
Other payables ⁽ⁱⁱ⁾	245,500	300,540	-	-
Deposits	106,439	107,526	-	-
Accruals	98,255	99,245	1,167	1,166
Total trade and other payables	1,122,817	1,279,531	1,167	1,166
Add:				
Loans and borrowings (Note 27)	1,827,646	1,739,945	-	-
Rental deposits (Note 28)	1,636	1,076	-	-
Amounts due to subsidiaries	-	-	2,475	1,939
Total financial liabilities carried at amortised cost	2,952,099	3,020,552	3,642	3,105

- (i) Credit terms of trade payables granted to the Group vary from 30 to 90 days (2023: 30 to 90 days).
- (ii) Other payables are normally settled on average terms of 30 to 90 days (2023: average terms of 30 to 90 days).

Other information on financial risks of trade and other payables are disclosed in Note 38.

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31. Contract liabilities

	Group	
	2024	2023
	RM'000	RM'000
Deferred revenue from:		
Gift cards/vouchers sold ⁽ⁱ⁾	379,401	405,623
Customer loyalty award ⁽ⁱⁱ⁾	12,239	13,584
	391,640	419,207

(i) A reconciliation of the deferred revenue from gift cards/vouchers sold is as follows:

	Group	
	2024	2023
	RM'000	RM'000
At beginning of the financial year	405,623	400,787
Arose during the financial year	393,668	426,016
Revenue recognised during the financial year	(399,196)	(428,087)
Lapsed amounts reversed	(1,058)	(1,270)
Exchange differences	(19,636)	8,177
At end of the financial year	379,401	405,623

(ii) A reconciliation of the deferred revenue from customer loyalty award is as follows:

	Group	
	2024	2023
	RM'000	RM'000
At beginning of the financial year	13,584	13,518
Arose during the financial year	14,293	15,665
Revenue recognised during the financial year	(15,202)	(15,800)
Exchange differences	(436)	201
At end of the financial year	12,239	13,584

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.

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33. Discontinued operations

In the previous 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:

	Note	Group 2024 RM'000	2023 RM'000
Revenue	4	-	3,952
Other income	5	24	859
Purchase of goods and changes in inventories		-	(27)
Employee benefits expense	6	-	(1,674)
Depreciation of property, plant and equipment		-	(17)
Promotional and advertising expenses		-	(88)
Rental expenses		(17)	(3,928)
Other expenses		(10)	(3,674)
Operating loss		(3)	(4,597)
Finance income	7	-	4,471
Finance costs	7	-	(5,164)
Allowance for impairment loss on receivables		-	(13,204)
Loss on termination of subleases		-	(97,046)
Gain on termination of lease with landlord	13(b)	-	65,607
Gain on deconsolidation of subsidiaries	15(a)	-	35,065
Loss before tax	8	(3)	(14,868)
Income tax expense		-	-
Loss from discontinued operations, net of tax		(3)	(14,868)
Loss for the financial year attributable to:			
Owners of the parent		(2)	(10,104)
Non-controlling interests		(1)	(4,764)
		(3)	(14,868)

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34. Non-current assets classified as held for sale

	Note	Group 2024 RM'000	2023 RM'000
Investment properties	(i)	-	48,356
Investments in joint ventures	(ii)	-	-
		<u>-</u>	<u>48,356</u>

- (i) On 31 January 2023, Megan Mastika Sdn Bhd ("Megan Mastika"), a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with an independent third party ("SPA") in relation to the proposed disposal of approximately 7.54 acres of a leasehold land in Melaka, Malaysia ("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, the net carrying amounts of the Subject Property and the Surrendered Land totalling RM48,356,000 were classified as non-current assets classified as held for sale.

On 1 February 2025, the purchaser had exercised its right to rescind the SPA as certain conditions precedent were not fulfilled by Megan Mastika within the stipulated time frame. The net carrying amounts of the Subject Property and the Surrendered Land were reclassified to investment properties (Note 12) as at 31 December 2024.

- (ii) 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 had been fully impaired as at 31 December 2024 and 31 December 2023.

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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

- (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	
	2024	2023
	RM'000	RM'000
Purchases of goods and services from:		
- BonusKad Loyalty Sdn Bhd	5,346	5,643
- Lion Group Management Services Sdn Bhd	531	572
- Posim Marketing Sdn Bhd	674	377
- Secom (Malaysia) Sdn Bhd	756	679
- Brands Pro Management Sdn Bhd	320	387
Rental of office and/or warehouse space from:		
- Visionwell Sdn Bhd	677	713
	<hr/>	<hr/>
	Company	
	2024	2023
	RM'000	RM'000
Interest income from a subsidiary (Note 7)	<hr/>	46

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 2024 are disclosed in Note 19, Note 20, Note 30 and Note 32.

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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		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Short term employee benefits	7,003	6,741	203	203
Pension costs				
- Defined contribution plans	182	168	-	-
	7,185	6,909	203	203

36. Commitments

Capital commitments

Capital expenditure at the reporting date is as follows:

	Group	
	2024	2023
	RM'000	RM'000
Purchase of property, plant and equipment:		
Approved and contracted for	314	7,785

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37. 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
2024	
Investment properties (Note 12):	
Completed investment properties	1,961,920
IPUC	153,396
Investment securities (Note 22):	
Financial assets at FVOCI	
- Unquoted equity securities	1,573
Financial assets at FVPL	
- Wealth management products	40,885
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

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37. 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
Deposits, cash and bank balances	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.

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37. 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, borrowings or leasing arrangements 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.

38. 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 RM17,233,000 (2023: RM16,100,000) 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.

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38. 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:

Functional currency	Net financial assets held in			Total
	US\$ RM'000	HK\$ RM'000	SGD RM'000	
Deposits, cash and bank balances				
2024				
Ringgit Malaysia	281	12,855	66	13,202
Chinese Renminbi	16,480	1,530	-	18,010
Singapore Dollar	1,907	-	-	1,907
	18,668	14,385	66	33,119
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

Foreign currency sensitivity

A reasonably possible change of 2% (2023: 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.

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38. 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				
2024				
Trade and other payables	1,122,817	-	-	1,122,817
Loans and borrowings:				
Bank overdrafts	191	-	-	191
Bankers' acceptance	5,903	-	-	5,903
Bank loans	107,460	1,487,946	-	1,595,406
Sukuk	95,513	130,297	-	225,810
Revolving financing	14,937	23,304	-	38,241
Lenders from non-financial institutions	112,534	-	-	112,534
Rental deposits	-	-	1,636	1,636
Lease liabilities	623,877	1,554,009	1,715,245	3,893,131
Total undiscounted financial liabilities	2,083,232	3,195,556	1,716,881	6,995,669

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38. 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.)				
2023				
Trade and other payables	1,279,531	-	-	1,279,531
Loans and borrowings:				
Bank overdrafts	731	-	-	731
Bankers' acceptance	5,865	-	-	5,865
Bank loans	167,289	1,423,955	-	1,591,244
Revolving financing	56,090	90,603	-	146,693
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	2,364,381	3,101,761	1,211,669	6,677,811
Company				
2024				
Trade and other payables	1,167	-	-	1,167
Amounts due to subsidiaries	2,475	-	-	2,475
Total undiscounted financial liabilities	3,642	-	-	3,642
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

38. Financial risk management objectives and policies (cont'd.)

(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.

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.

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39. 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.

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39. Segmental information (cont'd.)

The Group's segmental information is as follows:

	← Malaysia RM'000	Retailing PRC RM'000	Others RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000
2024						
Revenue:						
External customers	744,802	1,949,871	110,401	2,805,074	-	2,805,074
Inter-segment	-	-	-	-	-	-
Total revenue	<u>744,802</u>	<u>1,949,871</u>	<u>110,401</u>	<u>2,805,074</u>	<u>-</u>	<u>2,805,074</u>
Results:						
Segment profit/(loss)						
Finance income	170,871	205,230	39,695	415,796	(3)	415,793
Finance costs				37,522	-	37,522
Share of results of associates				(340,348)	-	(340,348)
Impairment loss on:				9,192	-	9,192
- Property, plant and equipment				(31,300)	-	(31,300)
- An investment property				(7,018)	-	(7,018)
- Right-of-use assets				(19,797)	-	(19,797)
- Intangible assets				(75,263)	-	(75,263)
- Other receivables				(60,995)	-	(60,995)
Loss before tax				<u>(72,211)</u>	<u>(3)</u>	<u>(72,214)</u>
Segment assets	1,090,147	6,365,038	860,897	8,316,082	1,775	8,317,857
Segment liabilities	920,479	4,810,035	409,868	6,140,382	1,712	6,142,094
Capital expenditure	<u>29,573</u>	<u>38,350</u>	<u>145</u>	<u>68,068</u>	<u>-</u>	<u>68,068</u>

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39. Segmental information (cont'd.)

The Group's segmental information is as follows: (cont'd.)

	← Retailing →					
	Malaysia	PRC	Others	Continuing operations	Discontinued 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)		317,027		512,084	(4,597)	507,487
Finance income	190,881		4,176	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

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39. Segmental information (cont'd.)

Non-current assets information based on the geographical locations of customers and assets are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Malaysia	676,251	649,558
PRC	4,631,287	4,672,400
Others	4	5
	<u>5,307,542</u>	<u>5,321,963</u>

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.

40. 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 2024 and 31 December 2023.

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40. 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Lease liabilities (Note 13(b))	2,647,811	2,472,555	-	-
Loans and borrowings (Note 27)	1,827,646	1,739,945	-	-
Less: Deposits, cash and bank balances (Note 23)	(1,395,090)	(1,494,844)	(5,198)	(952)
Investment securities - current (Note 22)	(40,885)	(37,159)	-	-
Net debt/(cash) (A)	3,039,482	2,680,497	(5,198)	(952)
Total equity, representing total capital	2,175,763	2,417,524	2,708,680	2,700,446
Capital and net debt (B)	5,215,245	5,098,021	2,703,482	2,699,494
Gearing ratio (A/B)	58%	53%	*	*

* Not applicable as the Company does not have debt.

41. Status of litigations

- (i) The legal proceedings between Parkson (Cambodia) Co Ltd, a wholly-owned subsidiary of Parkson Retail Asia Limited ("PRA") which is in turn a 67.96% owned subsidiary of the Company and Hassan (Cambodia) Development Co Ltd, the lessor, had been disclosed in the Audited Financial Statements of the Company for the financial year ended 31 December 2023 ("2023 AFS").

There are no updates to the status of the litigation during the financial year ended 31 December 2024.

- (ii) The legal proceedings between Parkson Corporation Sdn Bhd, a wholly-owned subsidiary of PRA, and PKNS-Andaman Development Sdn Bhd, the lessor, had been disclosed in the 2023 AFS.

On 15 January 2025, the High Court of Malaya had fixed the date for decision or clarification on 7 May 2025.

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PARKSON HOLDINGS BERHAD

Registration No. 198201009470 (89194-P)

Level 14, Lion Office Tower

No. 1 Jalan Nagasari

50200 Kuala Lumpur

Wilayah Persekutuan

Tel No : +603 2142 0155

www.lion.com.my/parkson

