**PARKSON HOLDINGS BERHAD**
**Registration No. 198201009470 (89194-P)**
(Incorporated in Malaysia)

Minutes of the 41st Annual General Meeting of the Company ("41st AGM") 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.

PRESENT

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|---|---|---|
| BOARD OF DIRECTORS | : | Y. Bhg. Tan Sri Cheng Heng Jem (Chairman/Managing Director)<br>Ms Cheng Hui Yen, Natalie (Executive Director)<br>Y. Bhg. Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat<br>Y. Bhg. Dato' Eow Kwan Hoong<br>Mr Liew Jee Min @ Chong Jee Min<br>Mr Ooi Kim Lai |
| MEMBERS AND PROXIES (collectively, the "Shareholders") | : | As per Attendance List |
| INVITEES | : | Representative of Messrs Grant Thornton Malaysia PLT, the External Auditors<br>- Mr Lian Tian Kwee (Lead Partner) |
| IN ATTENDANCE | : | Ms Lim Kwee Peng (Secretary) |

**1. OPENING**

At the outset, the Chairman welcomed all to the Meeting. The Chairman further expressed that he was happy that Y. Bhg. Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat who was recently hospitalised and still recovering, was present at the Meeting.

The Chairman then informed that no photography, or any form of audio or video recording was allowed of the Meeting.

**2. QUORUM**

There being a quorum present, the Chairman duly called the Meeting to order.

**3. NOTICE OF MEETING**

The Chairman explained that the Notice convening the Meeting together with the Circular to Shareholders had been made available for download from the website of the Company since 29 April 2025 and as such, the Notice was taken as read.

**4. PROCEEDINGS OF MEETING**

As a matter of safety, the Chairman invited the representative of the Building Management to advise on the safety exit measures of the Meeting Hall.

Before proceeding with the items on the Agenda, the Chairman informed that in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements and the Constitution of the Company, all 8 ordinary resolutions tabled at the Meeting would be voted upon by way of a poll.

The Chairman further informed that the Company had appointed the Share Registrar, Securities Services (Holdings) Sdn Bhd, as the Poll Administrator to conduct the polling process and Commercial Quest Sdn Bhd as the Independent Scrutineer to verify the results of the poll.

**5. AUDITED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman proceeded with the first item on the Agenda which was to receive the Audited Financial Statements of the Company for the financial year ended 31 December 2024 ("FYE 2024") and the Reports of the Directors and Auditors thereon ("2024 AFS").

The Chairman informed that the 2024 AFS had been uploaded to the website of the Company on 29 April 2025. He further explained that in accordance with the provisions of the Companies Act 2016, the 2024 AFS did not require Shareholders' approval and therefore, would not be put to vote.

The information on the businesses of the Group together with the financial results of the Group for the FYE 2024 was presented at the Meeting.

The Chairman further informed that the Company had received 5 questions from the Minority Shareholders Watch Group, and another 28 questions from 4 other Shareholders. To facilitate the efficiency of the Meeting, similar questions had been consolidated, and the Management's responses thereto set out herein as Annexure I were also presented.

The Meeting then engaged in a question and answer session where comments and enquiries in relation to the following areas of observation were raised by the Shareholders:

(a) the Group's operations covering its business models and market segmentation, and profitability including the performance of the various divisions, in particular the retailing operations in China and Malaysia; finances including financial reporting, loans and borrowings and their costs, and distribution of dividend; strategies; and prospects as well as the challenges faced by the Group in the retail industry;

(b) the consumer financing business carried out under *Parkson Credit* including the launch by Parkson Credit Sdn Bhd ("Parkson Credit") of its RM1.0 billion asset-backed Islamic medium term note programme ("Sukuk Wakalah Programme") and the financing costs as well as Parkson Credit's market positioning and brand awareness; and

(c) the background of 2 of the top 30 largest registered shareholders disclosed in the 2024 Annual Report.

The Chairman and the Management addressed the Shareholders' enquiries on the aforementioned areas of observation as follows:

(a) The performance, challenges, strategies and prospects of the retail operations in China and Malaysia had been presented earlier.

(b) Comparing the business models of Parkson China and Parkson Malaysia, Parkson China which had been in the retail business since 1994, gradually transitioned to a more diversified and integrated model that included department stores, supermarkets which typically complemented the department stores' operations, and mall management, whilst Parkson Malaysia exited its supermarket business and focused on department stores since 1998. Furthermore, aside from *Hogan* bakery which originated from Taiwan, there were no plans to acquire new food and beverage businesses in Parkson Malaysia.

(c) The Group's retail operations were primarily brick-and-mortar, and recognised high-tech, efficient delivery system and self-checkout methods in China. The Group maintained a team to explore the application of new technology in its retail operations.

(d) The investment property in Beijing, China contributed positively to Parkson China's cash flow position.

(e) On the financial reporting methodology, further segregation of financial performance by retail formats and locations within the retail operations might not be feasible, due to the inter-related nature of the retail formats and concerns over the confidentiality of business information. However, should the performance of the Group's consumer financing business under Parkson Credit become significant, its reporting would be segregated accordingly.

(f) Continuous monitoring of finance costs and steps taken to manage its borrowings and reduce funding costs as presented earlier.

(g) The interest expenses totalling RM340 million as disclosed on Page 51 of the 2024 Annual Report, were not solely incurred on loans and borrowings but included interest expenses on lease liabilities of approximately RM211 million recognised under lease accounting.

(h) As the Company was an investment holding company with no core business and fewer income-generating subsidiaries, Parkson Credit was placed under its subsidiary listed on The Stock Exchange of Hong Kong Limited, Parkson Retail Group Limited, to enhance its credit rating for financing purposes.

The Chief Executive Officer of Parkson Credit further added that Parkson Credit had established itself as one of the leading motorcycle financiers in Malaysia, despite the absence of extensive promotional initiatives. Parkson Credit's primary focus remained on motorcycle financing, in contrast to its main competitor, which offered a full range of financing services. Parkson Credit had been performing well since its establishment and was expecting to achieve healthy growth going forward.

The successful launch of the Sukuk Wakalah Programme in December 2024, marked a significant milestone, paving the way for accelerated business expansion and enabled Parkson Credit to broaden its reach into emerging and underserved markets.

(i) While icapital.biz Berhad with 2% shareholdings in the Company as disclosed in the top 30 largest shareholders ("Top List"), had held shares in the Company for more than 10 years and consistently demonstrated its support, Irelia Management Sdn Bhd ("Irelia") only recently joined the Top List holding 2.67% equity interest in the Company. Irelia was an external party and was not affiliated with any of the existing major shareholders of the Company.

In response to the question raised with regard to succession planning, the Chairman informed that apart from the current roles being carried out by his daughters in the Group's retail operations in China and Malaysia, the Group also had competent and experienced Chief Executive Officers and Chief Operating Officers supported by a professional management team, to oversee the Group's retail operations.

After having addressed all questions and noted all comments from the Floor, the Chairman declared the 2024 AFS duly received.

The Chairman then proceeded with the remaining Agenda items.

## 6. DIRECTORS' FEES

The second item on the Agenda was to approve the payment of Directors' fees amounting to RM258,800 for the FYE 2024.

## 7. DIRECTORS' BENEFITS

The third item on the Agenda was to approve the payment of Directors' benefits of up to RM98,000 which comprised Directors' meeting allowances, for the period commencing after the 41st AGM until the next annual general meeting of the Company.

## 8. RE-ELECTION OF DIRECTORS RETIRING IN ACCORDANCE WITH CLAUSE 110 OF THE CONSTITUTION OF THE COMPANY

The fourth item on the Agenda was to re-elect the following Directors who retired by rotation in accordance with Clause 110 of the Constitution of the Company and who being eligible, had offered themselves for re-election:

(a) Ms Cheng Hui Yen, Natalie
(b) Mr Liew Jee Min @ Chong Jee Min

## 9. RE-ELECTION OF DIRECTOR RETIRING IN ACCORDANCE WITH CLAUSE 111 OF THE CONSTITUTION OF THE COMPANY

The fifth item on the Agenda was to re-elect Y. Bhg. Dato' Eow Kwan Hoong who was appointed during the financial year and retired in accordance with Clause 111 of the Constitution of the Company and who being eligible, had offered himself for re-election.

## 10. RE-APPOINTMENT OF AUDITORS

The sixth item on the Agenda was to re-appoint the retiring Auditors, Messrs Grant Thornton Malaysia PLT, as Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and that the Directors be authorised to fix their remuneration.

The Chairman informed that Messrs Grant Thornton Malaysia PLT had expressed their willingness to be re-appointed Auditors of the Company.

## 11. SPECIAL BUSINESS

The Chairman informed that there were 2 Ordinary Resolutions tabled as Special Business.

### 11.1 Authority to Directors to Issue and Allot Shares

The first Ordinary Resolution was to authorise the Directors to issue and allot up to 10% of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

### 11.2 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

The second Ordinary Resolution was to consider the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

## 12. OTHER BUSINESS

The Chairman informed that he had been advised that the Company had not received any notice of other business to be transacted at the Meeting.

## 13. POLLING PROCESS

The Chairman proceeded to carry out the voting for all the 8 resolutions by way of a poll and shared the step-by-step guide by the Poll Administrator on the e-voting procedures.

For proper and orderly conduct of the poll, the Chairman declared that the registration for attendance at the 41st AGM be closed.

In view that it would take some time to cast and count the votes, the Chairman adjourned the 41st AGM at 12.05 pm for 20 minutes or in the event the poll results were not ready by then, as soon as the results were tabulated thereafter, for the announcement of the results of the poll.

## 14. DECLARATION OF POLL RESULTS

**14.1** At 12.26 pm, the Chairman called the Meeting back to order for the announcement of the poll results. The Chairman informed that he had received the poll results for all the 8 Ordinary Resolutions as follows which had been verified by the Independent Scrutineer, and were displayed on the screen for information of the Shareholders:

| **Resolutions** | **Vote in favour** | | **Vote Against** | |
|---|---|---|---|---|
| | **No. of Shares** | **%** | **No. of Shares** | **%** |
| Resolution 1<br>To approve Directors' fees | 658,206,419 | 99.9994 | 3,815 | 0.0006 |
| Resolution 2<br>To approve Directors' benefits | 658,206,098 | 99.9994 | 4,136 | 0.0006 |
| Resolution 3<br>To re-elect Ms Cheng Hui Yen, Natalie as Director | 658,210,134 | 100.0000 | 100 | 0.0000 |
| Resolution 4<br>To re-elect Mr Liew Jee Min @ Chong Jee Min as Director | 658,210,134 | 100.0000 | 100 | 0.0000 |
| Resolution 5<br>To re-elect Y. Bhg. Dato' Eow Kwan Hoong as Director | 658,210,134 | 100.0000 | 100 | 0.0000 |
| Resolution 6<br>To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors | 658,210,134 | 100.0000 | 100 | 0.0000 |
| Resolution 7<br>Authority to Directors to Issue and Allot Shares | 658,206,098 | 99.9994 | 4,136 | 0.0006 |
| Resolution 8<br>Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature | 31,694,248 | 99.9997 | 100 | 0.0003 |

**14.2** Based on the results of the poll, the Chairman declared the following 8 Ordinary Resolutions duly carried:

(a) Resolution 1 - THAT the Directors' fees amounting to RM258,800 for the financial year ended 31 December 2024 be approved for payment to the Directors.

(b) Resolution 2 - THAT the Directors' benefits of up to RM98,000 for the period commencing after the 41st AGM until the next annual general meeting of the Company be approved for payment to the Directors.

(c) Resolution 3 - THAT Ms Cheng Hui Yen, Natalie who retired by rotation in accordance with Clause 110 of the Constitution of the Company, be re-elected to the Board.

(d) Resolution 4 - THAT Mr Liew Jee Min @ Chong Jee Min who retired by rotation in accordance with Clause 110 of the Constitution of the Company, be re-elected to the Board.

(e) Resolution 5 - THAT Y. Bhg. Dato' Eow Kwan Hoong who was appointed during the financial year and retired in accordance with Clause 111 of the Constitution of the Company, be re-elected to the Board.

(f) Resolution 6 - THAT the retiring Auditors, Messrs Grant Thornton Malaysia PLT, be re-appointed Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and that the Directors be authorised to fix their remuneration.

(g) Resolution 7 - Authority to Directors to Issue and Allot Shares

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

(h) Resolution 8 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

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.

**15. CLOSING REMARKS BY THE CHAIRMAN**

The Chairman encouraged Shareholders to provide or update their email addresses in respect of their Central Depository System accounts to facilitate prompt electronic receipt of all notifications issued by the Company.

**16. CLOSE OF MEETING**

There being no other business, the Meeting concluded at 12.28 pm.

SIGNED AS A CORRECT RECORD

SIGNED
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CHAIRMAN

**PARKSON HOLDINGS BERHAD**
**Registration No. 198201009470 (89194-P)**
(Incorporated in Malaysia)

41st Annual General Meeting held on 28 May 2025
- Management's responses to Minority Shareholders Watch Group's letter dated 21 May 2025 and Questions Received in Advance from Shareholders

| No. | Questions | Parkson's Reply |
|---|---|---|
| 1. | The Group has been registering net loss attributable to owners of the parent for at least the last five (5) financial years. For FY 2024, the net loss was RM102.028 million. (Source: Page 43 of Annual Report (AR) 2024)<br><br>What are the key drivers that could significantly enhance the Group's financial performance and how does the Group plan to address the continued poor financial results?<br><br>Given the continued revenue decline in China and Malaysia, what specific turnaround measures are being taken to restore profitability? | For FY 2024, the Group reported an operating profit of RM416 million. However, a loss before tax of RM72 million was recorded, which included impairment losses on assets.<br><br>To enhance its financial performance, the Group is prioritising efforts to increase operating profit through improving stores' productivity, optimising gross margins and implementing cost rationalisation measures.<br><br>In this regard, Parkson China remains focused to continuously implement a series of improvement plans, which include developing customised optimisation and upgrading plans for each store, assessing viability of existing stores, and strengthening cost control measures.<br><br>In Malaysia, the Group is focusing on identifying strategic new locations where it currently has no presence for opening new stores to achieve revenue and profit growth. We are also continuously upgrading our existing stores and merchandise mix in order to improve sales performance.<br><br>With these ongoing measures, the Group believes that operating profit will improve, while simultaneously reducing the need for further impairment provisions. |
| 2. | The number of stores in Malaysia remained unchanged at 37 stores in FY 2023 and FY 2024 while in China the number decreased from 43 stores in FY 2023 to 41 stores in FY 2024. (Source: Page 46 of AR 2024)<br><br>Given the lack of new store openings in Malaysia and the recent closures in China, when does the Group expect to resume meaningful expansion of its store network? What criteria does the Board use to determine the timing and location for opening new stores in both markets? | In FY 2024, Parkson China closed one department store each in Lanzhou City and Suzhou City as part of its ongoing evaluation of store performance. The Group is adopting a cautious approach to store expansion while assessing viability of existing stores. New stores opening will target underserved markets, taking into consideration, among others, the availability of suitable retail spaces, expected customer footfall and competitive rental rates.<br><br>In Malaysia, the Group is actively identifying strategic new locations where it currently has no presence, while Parkson China has planned new store openings in Datong City and Mianyang City in 2025. |

| No. | Questions | Parkson's Reply |
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| 3. | 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. (Source: Page 48 of AR 2024)<br><br>What specific measures will be taken in FYE 2025 to stabilise or grow the Parkson China segment? Does the Board expect a return to growth, or will further store rationalisation be pursued in the short term? | Parkson China remains focused to continuously implement a series of improvement plans to grow its business operations. These include:<br><br>- developing customised optimisation and upgrading plans for each store;<br>- evaluating viability of its existing stores; and<br>- strengthening cost control measures.<br><br>The Board believes that, with the successful implementation of the above measures, the Group is well-positioned to improve. Store rationalisation is an ongoing exercise, and the Group continues to evaluate its store portfolio from time to time. |
| 4. | At the 40th AGM, the Board and management stated that the Fuxingmen Parkson building in Beijing contributed RM160 million in rental income in FY 2023, with no substantial increase expected for FY 2024.<br><br>Are there plans to monetise, revalue, or reposition this asset to unlock further value, especially given its sizeable contribution to Group earnings? Besides the Parkson building in Beijing, which other key properties contributed materially to the Group's RM407 million rental income in FY 2024? | In 2022, the Group successfully converted its self-owned Fuxingmen Parkson building into an office building for recurring rental income. Following this conversion, the Group secured a new loan which carries a lower interest rate, resulting in an annual interest cost savings of around Rmb80 million (equivalent to approximately RM50 million).<br><br>The Fuxingmen Parkson building is pledged as collateral for this loan. The Group currently has no other plans for the asset.<br><br>Another key property, Qingdao Lion Mall in China, also contributed steadily to the Group's rental income. |

| No. | Questions | Parkson's Reply |
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| 5. | For FYE 2024, the Group reported a loss before tax of RM72 million, which included impairment losses on assets totalling RM194 million. (Source: Page 47 of AR 2024)<br><br>Page 19 of the Financial Statements shows significant impairment losses for the following:<br><br>- Property, plant and equipment: RM31.3 million<br>- Right-of-use assets: RM19.8 million<br>- Intangible assets: RM75.3 million<br>- Other receivables: RM61.0 million<br><br>Briefly explain the specific reasons for the significant impairment losses on each of the above items. What is the likelihood of reversing the impairment losses in FY 2025 or in future?<br><br>Can the Board explain what lessons have been learned from these repeated write-downs, and who within management is being held accountable for these persistent capital misallocations? What concrete changes will be implemented to prevent the yearly impairment charges from recurring? | Impairment losses on property, plant and equipment, right-of-use assets and intangible assets were made during the year, primarily associated with stores closure and underperformance of certain retailing stores in China. Our retailing operations in China faced challenges of market uncertainties resulting in more cautious consumer spending which directly affected stores' performance. In addition, the retailing operations experienced an unprecedented evolution, with increasingly diverse consumer groups and varying levels of income and purchasing power.<br><br>Parkson China remains committed to implementing improvement plans to enhance its store performance. Certain impairment losses may be reversed in future upon the improvement in performance of the affected stores.<br><br>The other receivables are in relation to deposits and progress billings paid for the proposed lease and acquisition of a retail mall in Cambodia. The impairment loss was provided due to uncertainty in recovery in view of slower-than-expected progress of the mall's development and the challenging market conditions in Cambodia. The Group is closely monitoring the recoverability of the amounts. Should there be a revival/disposal of the partial completed project, the Group will reverse the impairment. |
| 6. | Will the Group consider strategic mergers, acquisitions, or divestments to realign with high-growth or high-margin business areas? | The Group will consider mergers and acquisitions when opportunities arise. At the same time, the Group takes prudent actions to close non-performing stores and brand operations in order to improve profit. |

| No. | Questions | Parkson's Reply |
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| 7. | How is Parkson innovating its department store concept to stay competitive against e-commerce and lifestyle-centric retail models? | The Group maintains a presence on e-commerce platforms and continues to devote more efforts to improve online sales performance. At the same time, it takes advantage of online platform promotions to encourage customers to visit Parkson stores. While e-commerce has its market, the physical department stores continue to serve a unique niche, and the Group is committed to maintaining a complementary presence across both channels.<br><br>To stay competitive against the lifestyle-centric models, Parkson is actively exploring and improving its shopping centre models in China that integrate retail with service-oriented offerings. These offerings include dining and gourmet food halls, beauty services, leisure and entertainment facilities all under one roof. |
| 8. | The Group recorded RM194 million in impairments in FY 2024. Will more impairments be necessary in FY 2025? | Impairments were made mainly in relation to store closure, and weak performance of stores and operations. The Group continues to monitor the performance of the operations and to assess the impairment of assets from time to time. |
| 9. | What steps are being taken to manage the Group's RM1.8 billion in borrowings, especially given the Group's net loss and tightening liquidity?<br><br>After shifting loans from HKD to RMB, roughly how much did the interest rate drop? How much interest expense is expected to be saved annually? | In June 2024, the Group drew down Renminbi denominated bank loans of Rmb2.47 billion (equivalent to approximately RM1.5 billion) to fully settle its HK$ denominated bank loans. The new loan has a term of 36 months and carries a lower interest rate.<br><br>The interest rate on the Rmb denominated bank loans has decreased by about 4% per annum, resulting in an annual interest cost savings of around Rmb80 million (equivalent to approximately RM50 million).<br><br>Ongoing efforts to improve operational performance, and implement cost rationalisation measures are being pursued to strengthen the Group's overall financial position and support its debt servicing obligations. |

| No. | Questions | Parkson's Reply |
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| 10. | With operations across China, Malaysia, and Cambodia, how is the Group managing foreign exchange risks? | The business transactions of the Group's retail operations in China and Malaysia are primarily denominated in the respective local currencies and hence, there is limited exposure to foreign exchange risks.<br><br>The Group does not have any operations in Cambodia. |
| 11. | a) Given that Parkson Holdings Berhad ("PHB") is set to receive SGD18.32 million in dividends from its 67.96% stake in Parkson Retail Asia Limited ("PRA"), does the Board intend to distribute a portion of these proceeds as an interim dividend to PHB shareholders? If so, what is the anticipated timeline and estimated payout ratio? | The Company plans to utilise the dividend from PRA for the repayment of borrowings and working capital. |
| | b) Are there regulatory or contractual restrictions preventing PHB from declaring an interim dividend using PRA's distributions? | In accordance with the Companies Act 2016, a company can only declare dividends to its shareholders out of profits, provided the company remains solvent following such distribution. |
| | c) How does the Board balance reinvestment needs with returning capital to shareholders? | In balancing reinvestment needs with the return of capital to shareholders, the Board ensures that sufficient resources are allocated to meet operational requirements and growth opportunities, while recognising the importance of rewarding shareholders once the Company achieves a stronger financial position. |
| 12. | Does Parkson Hong Kong have a clear dividend policy? For example, is a fixed percentage of profit allocated for distribution? | Parkson Retail Group Limited ("PRGL") has a dividend policy which sets out the principles and guidelines in relation to declaration and payment of dividend. At present, there is no fix dividend ratio for PRGL. The declaration and payment of dividend are subject to consideration of, among others, the following factors:<br><br>- the applicable restrictions and requirements under the laws;<br>- any banking or other funding covenants; and<br>- the investment and operating requirements of PRGL.<br><br>The dividend policy will continue to be reviewed from time to time. |

| No. | Questions | Parkson's Reply |
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| 13. | What are the future plans and goals for Parkson Credit? Will similar consumer finance services be introduced in China? | Parkson Credit's immediate focus remains on developing and strengthening its motorcycle financing in Malaysia. The company is also exploring the possibility of expanding abroad, and is currently in the research and opportunity assessment stage. |
| 14. | I've noticed that new leases in China often include lower base rent plus revenue sharing. Is this now a standard strategy for the company? | Lease terms are negotiated on a case by case basis for every store. The rent structure, which combines a fixed base rent with a variable component, allows the Group to better align leasing costs with store performance. This approach provides greater flexibility, ensuring that rent remains sustainable in weaker markets while allowing landlords to benefit when sales are strong. |
| 15. | Parkson Beauty performed well pre-COVID. What is its current status, and are there plans for further expansion? | During the pandemic, the cosmetics industry was significantly impacted by the rise of e-commerce and the duty-free system. Post-pandemic, cosmetic brands have adjusted their offline counter strategies by reducing investments. As a result, the overall trend of the project has declined, and there are currently no further expansion plans. |
| 16. | If Parkson Hong Kong returns to profit, would the company consider a share buyback? At the current market capitalisation, this would be highly shareholder-friendly. | Yes, PRGL may consider a share buyback. |
| 17. | Regarding the Beijing Financial Street property or other self-owned shopping malls, is the company considering the possibility of spinning them off into a REIT structure? | At present, the Group has no plans to spin off its self-owned shopping malls into a REIT structure. |
| 18. | With same-store sales being flat and 37 stores in operation, how are underperforming stores being evaluated? Are closures or relocations expected? | Parkson Malaysia consistently monitors the performance of all its stores, assessing key indicators such as sales growth, profitability and operating costs. For underperforming stores, detailed reviews are conducted to explore opportunities for improvement through operational enhancements and cost optimisation measures.<br><br>At present, there are no plans for store closures or relocations. |

| No. Questions | Parkson's Reply |
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| 19. What is the return expectation for the relaunch of Parkson Sunway Carnival and other refurbished outlets? | The relaunch of Parkson Sunway Carnival and other refurbished outlets is part of our ongoing strategy to enhance the shopping experience for our customers, improve store productivity, and strengthen the Parkson brand presence. The Group expects these refreshed outlets to contribute positively to the overall sales and profitability over time. |
| 20. Given its profitability, are there plans to expand or list Parkson Credit as a standalone entity? | While motorcycle financing remains the core business of Parkson Credit, the company is also exploring other consumer credit segments, including personal loans. When the market is ready, Parkson Credit will introduce new products that align closely with our customers' needs.<br><br>At present, there are no plans to pursue a listing of Parkson Credit. |
| 21. Are there intentions to introduce new supermarket or F&B ventures in Malaysia, modelled after the China business? | The Group's F&B division in Malaysia currently has a popular Taiwanese franchise, Hogan Bakery. Presently, there are no plans to venture into supermarket business or introduce additional F&B brands in the Malaysian market. |
| 22. What is the status and updated feasibility of the Phnom Penh mall project, now postponed to 2026? | The mall project has been put on hold. |
| 23. For FYE 2024, the Group reported a loss before tax of RM72 million, which included impairment losses on assets totalling RM194 million. 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.<br><br>a) What is the board's rationale for continued investment in China despite continuous impairment losses year over year for the existing assets? | <br><br>The Group remains confident in the long-term potential of the China market. Continued investment reflects the Group's commitment to deliver different shopping and lifestyle experiences to our customers, while enabling the Group to strengthen its competitive position. |

| No. Questions | Parkson's Reply |
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| b) How are capex decisions aligned with value creation and higher returns? | Capital expenditure investments are primarily directed towards remodelling and refurbishment of existing stores to enhance their image, as well as the opening of new stores/retail models in high-potential locations to drive future growth.<br><br>We are in lifestyle business and we have to continuously keep our stores updated with the ever changing shopping environment. |
| c) What are the plans/restructuring/ structural changes for underperforming assets in China? | The Group continuously evaluates the viability of its underperforming assets and, where necessary, makes strategic decisions to close non-performing stores and streamline branding operations. |
| d) How does the board define success over the next 2 to 5 years in terms of profitability and shareholder value? | The Board defines its main success as achieving sustainable improvements in profitability and strong cash flow generation. The Board aims to enhance shareholder value through a stronger financial position and potential returns to shareholders. |
| e) PRG has seen the return of dividends and PRA just announced dividend payout recently. Are there plans to use the net cash inflows from operating activities for dividend/share buybacks for PHB? | At present, the Company plans to utilise cash inflows for the repayment of borrowings and working capital. There is no plan for share buy-back as the Company is still in an accumulated losses position. |