FINANCIAL STATEMENTS 2022

For The Financial Year Ended 31 December 2022

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 2022.

PRINCIPAL ACTIVITIES

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

The information on the name, country of incorporation/principal place of business, principal activities, and percentage of issued share capital held by the Company in the subsidiaries 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	(209,783)	17,097
- Discontinued operations	(1,160)	–
	(210,943)	17,097
(Loss)/profit for the financial year attributable to:		
Owners of the parent	(119,945)	17,097
Non-controlling interests	(90,998)	–
	(210,943)	17,097

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than in respect of the Group, impairment losses on property, plant and equipment, right-of-use assets and intangible assets totalling RM60,669,000.

DIVIDEND

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

ISSUES OF SHARES AND DEBENTURES

The Company had on 2 March 2022, pursuant to the second tranche of the private placement, issued and allotted 30,000,000 new ordinary shares in the Company at RM0.165 per share for cash resulting in an increase in the issued share capital of the Company by RM4,950,000 from RM2,155,629,753 to RM2,160,579,753.

As at the date of this report, the total number of issued shares of the Company are 1,148,902,050 ordinary shares.

The new ordinary shares issued during the financial year ranked *pari passu* in all respects with the then existing ordinary shares of the Company.

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	
Zainab binti Dato' Hj. Mohamed	
Liew Jee Min @ Chong Jee Min	
Ooi Kim Lai	
Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat	(Appointed on 24 November 2022)

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 Chen Sum	
Au Jin Ee	(Appointed on 1 July 2022)
Bernadette Chong Yin Wah	(Appointed on 21 March 2022)
Chai Woon Chew	
Chang Chae Young	
Cheng Hui Yen, Natalie	
Cheng Hui Yuen, Vivien	
Cheong Tuck Yee	
Chong Cheng Tong	
Chong Sui Hiong	
Chuah Say Chin	
Da Min	
Dato' Fu Ah Kiow	
Dato' Sri Dr. Hou Kok Chung	
Datuk Koong Lin Loong	
Gui Cheng Hock	
Haji Mohamad Khalid bin Abdullah	
Hu Da Zhi	
Jin Chun Xu	
Juliana Cheng San San	
Khor Ching Wee	

DIRECTORS (continued)

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

Lee Whay Keong	
Li Bing	
Li Cheng	
Loh Chai Hoon	
Low Kim Tuan	
Ma Li	
Ng Ho Peng	
Nie Ru Xuan	
Norman Siu Yong Ching Jr	
Ooi Kim Lai	
Poh Wan Chung	
Pong Yuet Yee	
Pun Chi Tung, Melvyn	
Qiu Jian	
Sam Chong Keen	
Tan Boon Heng	
Tan Kim Kee	
Tan Sri Cheng Heng Jem	
Wang Wing Ying	
Xie Hua	
Xiu Jun	
Xu Jing Chao	
Yau Ming Kim, Robert	
Yeo Keng Leong	(Appointed on 1 August 2022)
Yin Zheng Min	
Yu KaiYan	
Zhang Pei	
Zhang Jun	(Appointed on 11 November 2022)
Zhang Zhi Jun	
Zhou Jia	
Ro Changseok	(Resigned with effect from 18 April 2022)
Liew Yoo Fong	(Resigned with effect from 1 July 2022)
Michael Chan Foong Wee	(Ceased on 6 July 2022)
Cai Hao Ying	(Resigned with effect from 11 November 2022)
Wang Xiu Min	(Resigned with effect from 26 December 2022)

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 period, 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	331	75
Salaries and other emoluments, and pension costs	3,037	128
	3,368	203
Non-executive Directors:		
Fees	145	145
Other emoluments	34	34
	179	179
Total	3,547	382

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 RM87.91 million) against any legal liability, if incurred by the Directors and Officers of the Group and of the Company in the discharge of their duties while holding office for the Company and its subsidiaries.

AUDITORS' INDEMNITY

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

DIRECTORS' INTERESTS

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

		Number of ordinary shares		
	1.1.2022	**Acquired**	**Disposed**	**31.12.2022**
Tan Sri Cheng Heng Jem				
Direct interest	286,923,039	–	–	286,923,039
Deemed interest	339,994,089	–	–	339,994,089
Ooi Kim Lai				
Direct interest	197	–	–	197

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

Direct Interest

		Number of ordinary shares		
	1.1.2022	**Acquired**	**Disposed**	**31.12.2022**
Parkson Retail Asia Limited ("PRA")				
Tan Sri Cheng Heng Jem	500,000	–	–	500,000
Cheng Hui Yen, Natalie	50,000	–	–	50,000

Tan Sri Cheng Heng Jem
Deemed Interest

		Number of ordinary shares		
	1.1.2022	**Acquired**	**Disposed**	**31.12.2022**
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		
	1.1.2022	**Acquired**	**Disposed**	**31.12.2022**
Parkson Retail Group Limited	1,448,270,000	–	–	1,448,270,000

DIRECTORS' INTERESTS (continued)

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: (continued)

Tan Sri Cheng Heng Jem
Deemed Interest

	Currency	1.1.2022	Acquired	Disposed	31.12.2022
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
Xinjiang Youhao Parkson Development Co Ltd	Rmb	10,200,000	–	–	10,200,000

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 adequate allowance had been made for doubtful debts and there were no bad debts to be written off; 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.

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

  (i) which would render it necessary to write off any 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.

OTHER STATUTORY INFORMATION (continued)

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

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

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

(d) In the opinion of the Directors:

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

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

AUDITORS AND AUDITORS' REMUNERATION

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

The remuneration of the auditors of the Group and of the Company for the financial year ended 31 December 2022 amounted to RM4,110,000 and RM38,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 10 April 2023.

TAN SRI CHENG HENG JEM
Chairman and Managing Director

CHENG HUI YEN, NATALIE
Executive Director

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS

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

We, Tan Sri Cheng Heng Jem and Cheng Hui Yen, Natalie, being two of the Directors of Parkson Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 76 to 216 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 2022 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 10 April 2023.

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 76 to 216 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 10 April 2023.

TAN SRI CHENG HENG JEM

Before me,

W729
MARDHIYYAH ABDUL WAHAB
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PARKSON HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Parkson Holdings Berhad, which comprise the statements of financial position as at 31 December 2022 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 a summary of significant accounting policies and other explanatory information, as set out on pages 76 to 216.

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 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key Audit Matters

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

Key Audit Matters	How our audit address the Key Audit Matters
Revenue recognition	
The Group relies on its information technology systems in the accounting for revenue from direct sales and commissions from concessionaire sales. Such information technology system processes large volumes of data which consists of individually low value transactions. The Group also recognised deferred revenue of RM13,518,000 as at 31 December 2022 in current liabilities in respect of customer loyalty programme. The quantum of deferred revenue recognised at each reporting period requires management's estimates in relation to the historical trends of redemption of customer loyalty points. The aforementioned factors gave rise to higher risk of material misstatements from the perspective of timing of recognition and the amount of revenue to be recognised. Accordingly, we identified revenue recognition to be an area of audit focus as the magnitude and the high volume of transactions may give rise to a higher risk of material misstatements relating to timing and the amount of revenue recognised. The disclosures for revenue and deferred revenue of the Group are included in Notes 4 and 31 respectively to the financial statements.	Our audit procedures included, amongst others: - involved our information technology specialists to test the operating effectiveness of the automated controls of the information technology systems; - tested the information technology dependent manual and manual controls in place to ensure the completeness and accuracy of revenue recognised, including the updating of approved product price changes in the system; - performed procedures to corroborate the occurrence of revenue by tracing samples of cash receipts to the settlement reports from financial institutions; - tested the reconciliation of data between the Point of Sales system and the general ledger to corroborate the completeness of revenue; - assessed the accuracy of deferred revenue recognition using the historical rates of redemption of the customer loyalty points used by management; and - performed cut-off procedures to determine if revenue is recorded in the correct accounting period.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key Audit Matters (continued)

Key Audit Matters	How our audit address the Key Audit Matters
Impairment of property, plant and equipment and right-of-use assets The Group primarily operates retail stores in China, Malaysia and Vietnam, 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 RM1,906,538,000 and RM2,093,645,000, representing 29% and 32% respectively of non-current assets of the Group as at 31 December 2022. On an annual basis, management is required to assess for indications of impairment to determine if impairment assessment should be carried out. Having considered the loss-making performance of certain stores, management performed impairment testing with respective assets of those loss-making stores. The impairment testing requires management to make assumptions in the underlying cash flow forecast and projections. The assumptions include expectations for gross margin, growth rates and discount rates, as well as the overall market and economic conditions in the markets. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter. The disclosures for property, plant and equipment and right-of-use assets of the Group are included in Notes 11 and 13(a) respectively to the financial statements.	Our audit procedures included, amongst others: - obtained understanding of the Group's policies and procedures to identify indications of impairment of assets relating to loss-making stores; - held discussions with management and the auditors of the subsidiaries to obtain an understanding of assumptions used in the cash flow forecast and projections; - examined approved cash flow forecast and projections as well as historical trend analysis; - compared the key assumptions used in the impairment assessments to historical performance, external data reflecting current market conditions and our understanding of the business, in particular gross margin and growth rates used in determining the value in use at each cash-generating units ("CGU") level; - performed sensitivity analysis of the key assumptions to determine if the carrying amount of CGU materially exceeded the recoverable amount; - involved our internal and external valuation specialists to assist us in evaluating the appropriateness of discount rates, methodologies and assumptions used in the cash flow forecast and projections; - assessed the competency, capability and objectivity of the external expert; 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key Audit Matters (continued)

Key Audit Matters	How our audit address the Key Audit Matters
Impairment of goodwill The Group has a balance of goodwill of RM1,180,187,000 representing 18% of total non-current assets of the Group. On an annual basis, management is required to perform an impairment assessment of the CGUs to which the goodwill has been allocated. The impairment testing requires management to make assumptions in the underlying cash flow forecast and projections. The assumptions include expectations for gross margin, growth rates and discount rates, as well as the overall market and economic conditions in the markets. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter. The disclosures for goodwill of the Group are included in Note 14 to the financial statements.	Our audit procedures included, amongst others: - obtained understanding of the Group's policies and the relevant internal methodologies applied in determining the CGUs and the recoverable amounts; - held discussions with management and the auditors of the subsidiaries to obtain an understanding of assumptions used in the cash flow forecast and projections; - 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; - involved our internal and external valuation specialists to assist us in evaluating the appropriateness of discount rates, methodologies and assumptions used in the cash flow forecast and projections; - assessed the competency, capability and objectivity of the external expert; 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key Audit Matters (continued)

Key Audit Matters	How our audit address the Key Audit Matters
Going concern The Group has prepared their financial statements on a going concern basis, notwithstanding that the Group recorded: (i) a net loss of RM210,943,000 for the financial year ended 31 December 2022; and (ii) current liabilities exceeded its current assets by RM120,635,000 as at 31 December 2022. The above conditions give rise to concerns about whether the Group has sufficient cash flows to meet its obligations as and when they fall due. In the preparation of the Group's financial statements, the management reviewed the working capital sufficiency separately and independently by public listed subsidiaries i.e. Parkson Retail Group Limited ("PRGL") and Parkson Retail Asia Limited ("PRA"), and other subsidiaries as disclosed in Note 2.1 to the financial statements. The management has concluded that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due. Accordingly, the Directors believe that there is no material uncertainty that exists and the preparation of the financial statements of the Group on a going concern basis is appropriate. This is a key audit matter due to the degree of judgement involved in our evaluation of the appropriateness of the going concern basis for the preparation of the financial statements of the Group.	Our audit procedures included, amongst others: - reviewed the sufficiency of the working capital and cash flows separately for PRGL, PRA and other subsidiaries; - reviewed and obtained an understanding of the key assumptions used in the preparation of the cash flow forecasts; - involved our internal valuation specialists to assist us in evaluating the appropriateness of discount rate, methodologies and assumptions used in the cash flow forecasts; - evaluated the reasonableness of the assumption used in the preparation of the cash flow forecasts; - performed sensitivity analysis of the key assumptions used; - made enquiries of management and reviewed the event subsequent to financial year end to evaluate any possible event which may affect the Group's ability to continue as a going concern; and - assessed the adequacy of disclosures in relation to going concern assessment.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key Audit Matters (continued)

Key Audit Matters	How our audit address the Key Audit Matters
Impairment assessment of interests in subsidiaries (Parent company only) The Company has balance of interests in subsidiaries of RM2,671,212,000. On an annual basis, management is required to assess for indications of impairment to determine if impairment assessment should be carried out. The impairment testing requires management to make assumptions in the underlying cash flow forecast and projections. The assumptions include expectations for gross margin, growth rates and discount rates, as well as the overall market and economic conditions in the markets. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter. The disclosures for interests in subsidiaries of the Company are included in Note 15 to the financial statements.	Our audit procedures included, amongst others: - obtained understanding of the Group's policies and procedures to identify indication of impairment of assets relating to loss-making subsidiaries; - held discussions with management and the auditors of the subsidiaries to obtain an understanding of assumptions used in the forecast and cash flow projections; - 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; - 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

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.

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, International Financial Reporting 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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: (continued)

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

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

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

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

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

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

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

Report on 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

1) In so far as to limitation of scope beyond the control of the Group as described in our auditors' report dated 13 April 2022 in respect of the financial statements for the financial period ended 31 December 2021 where P.T. Tozy Sentosa ("PT Tozy") was placed under bankruptcy proceedings and all books and records are in the hands of the receivers, the effect of the limitation of scope beyond the control of the Group in relation to:

   (a) the gain on deconsolidation of RM42,153,000 in the consolidated statement of profit or loss;
   (b) the write back of liabilities totalling RM166,233,000 in the consolidated statement of profit or loss; and
   (c) the exchange fluctuation reserves of RM3,359,000 in the consolidated statement of other comprehensive income.

   The above does not have any resultant effect to the consolidated statement of profit or loss for the financial period ended 31 December 2021. This is because the compensating effect is within the consolidated statement of profit or loss.

2) 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: 02943/05/2023 J)
Chartered Accountant

Kuala Lumpur, Malaysia
10 April 2023

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 1.1.2022 to 31.12.2022 RM'000	Group 1.7.2020 to 31.12.2021 RM'000	Company 1.1.2022 to 31.12.2022 RM'000	Company 1.7.2020 to 31.12.2021 RM'000
Continuing operations					
Revenue	4	**2,922,581**	4,819,858	**–**	–
Other income	5	**319,793**	588,844	**–**	150
Purchase of goods and changes in inventories		**(1,442,522)**	(2,514,176)	**–**	–
Employee benefits expense	6	**(473,697)**	(731,132)	**(204)**	(309)
Depreciation and amortisation		**(547,546)**	(919,407)	**(1)**	(2)
Promotional and advertising expenses		**(39,009)**	(66,470)	**–**	–
Rental expenses		**(23,907)**	(10,365)	**–**	–
Other expenses	8(d)	**(497,635)**	(685,212)	**(1,524)**	(2,895)
Operating profit/(loss)		**218,058**	481,940	**(1,729)**	(3,056)
Finance income	7	**54,045**	93,620	**821**	1,565
Finance costs	7	**(369,622)**	(598,349)	**–**	–
Share of results of associates		**(1,001)**	7,223	**–**	–
Share of results of joint ventures		**(1,124)**	(2,165)	**–**	–
Reversal of impairment loss on amount due from a subsidiary	19	**–**	–	**18,127**	–
Effect on deconsolidation of a subsidiary	15(b)	**–**	42,153	**–**	–
Write down of liabilities relating to a subsidiary in bankruptcy	15(b)	**–**	166,233	**–**	–
Impairment loss on:					
- Property, plant and equipment	11	**(3,112)**	(67,334)	**–**	–
- An investment property	12	**–**	(10,300)	**–**	–
- Right-of-use assets	13	**(25,057)**	(136,132)	**–**	–
- Intangible assets	14	**(32,500)**	(25,257)	**–**	–
- Amount due from a joint venture		**–**	(10,000)	**–**	–
- Amounts due from subsidiaries	19	**–**	–	**(97)**	(27,329)
(Loss)/profit before tax	8	**(160,313)**	(58,368)	**17,122**	(28,820)
Income tax (expense)/credit	9	**(49,470)**	(99,335)	**(25)**	48
(Loss)/profit for the financial year/period from continuing operations		**(209,783)**	(157,703)	**17,097**	(28,772)
Discontinued operations	33				
(Loss)/profit for the financial year/period from discontinued operations		**(1,160)**	27,772	**–**	–
(Loss)/profit for the financial year/period from continuing and discontinued operations		**(210,943)**	(129,931)	**17,097**	(28,772)

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (continued)

	Note	Group 1.1.2022 to 31.12.2022 RM'000	Group 1.7.2020 to 31.12.2021 RM'000	Company 1.1.2022 to 31.12.2022 RM'000	Company 1.7.2020 to 31.12.2021 RM'000
(Loss)/profit for the financial year/period attributable to:					
Owners of the parent		**(119,945)**	(101,800)	**17,097**	(28,772)
Non-controlling interests	15(c)	**(90,998)**	(28,131)	**–**	–
		(210,943)	(129,931)	**17,097**	(28,772)
Basic and diluted (loss)/earnings per share (sen):	10				
Continuing operations		**(10.42)**	(11.20)		
Discontinued operations		**(0.07)**	1.75		
		(10.49)	(9.45)		

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

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000
(Loss)/profit for the financial year/period	**(210,943)**	(129,931)	**17,097**	(28,772)
<u>**Other comprehensive income/(loss)**</u>				
Item that will not be reclassified to profit or loss:				
Change in fair value of financial assets	**175**	635	**–**	–
Item that may be reclassified subsequently to profit or loss:				
Foreign currency translation	**(193,482)**	364,457	**–**	–
Other comprehensive (loss)/income for the financial year/period, net of tax	**(193,307)**	365,092	**–**	–
Total comprehensive (loss)/income for the financial year/period	**(404,250)**	235,161	**17,097**	(28,772)
Total comprehensive (loss)/income for the financial year/period attributable to:				
Owners of the parent	**(221,508)**	96,827	**17,097**	(28,772)
Non-controlling interests	**(182,742)**	138,334	**–**	–
	(404,250)	235,161	**17,097**	(28,772)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
Assets			
Non-current assets			
Property, plant and equipment	11	**1,906,538**	2,113,320
Investment properties	12	**452,447**	506,399
Right-of-use assets	13(a)	**2,093,645**	2,547,555
Intangible assets	14	**1,180,468**	1,313,474
Investments in associates	16	**27,300**	33,441
Investments in joint ventures	17	**8,197**	9,617
Deferred tax assets	18	**220,514**	200,170
Trade receivables	20	**157,788**	107,196
Other receivables	21	**393,798**	443,977
Investment securities	22	**17,504**	17,331
Time deposits	23	**15,869**	20,404
		6,474,068	7,312,884
Current assets			
Inventories	24	**386,831**	383,872
Trade and other receivables	20	**480,085**	495,215
Investment securities	22	**68,477**	59,345
Tax recoverable		**163**	4,110
Deposits, cash and bank balances	23	**1,290,200**	1,288,875
		2,225,756	2,231,417
Non-current assets classified as held for sale	34	**192,933**	–
		2,418,689	2,231,417
Total assets		**8,892,757**	9,544,301
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	25	**2,160,580**	2,155,630
Other reserves	26	**(1,512,314)**	(1,409,122)
Retained profits		**835,827**	954,143
		1,484,093	1,700,651
Non-controlling interests	15(c)	**968,972**	1,153,071
Total equity		**2,453,065**	2,853,722

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 (continued)

	Note	2022 RM'000	2021 RM'000
Equity and liabilities (continued)			
Non-current liabilities			
Deferred tax liabilities	18	**126,149**	136,524
Loans and borrowings	27	**1,421,800**	67,005
Long term payables	28	**5,417**	8,596
Provisions	29	**17,217**	17,285
Lease liabilities	13(b)	**2,329,785**	2,741,903
		3,900,368	2,971,313
Current liabilities			
Trade and other payables	30	**1,260,395**	1,436,297
Contract liabilities	31	**414,305**	419,757
Loans and borrowings	27	**317,050**	1,323,230
Provisions	29	**5,816**	4,321
Lease liabilities	13(b)	**516,887**	508,000
Tax payables		**24,871**	27,661
		2,539,324	3,719,266
Total liabilities		**6,439,692**	6,690,579
Total equity and liabilities		**8,892,757**	9,544,301

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

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
Assets			
Non-current assets			
Property, plant and equipment	11	**4**	5
Intangible assets	14	**28**	28
Interests in subsidiaries	15	**2,671,212**	2,648,174
Amounts due from subsidiaries	19	**18**	15
		2,671,262	2,648,222
Current assets			
Trade and other receivables	20	**127**	133
Amounts due from subsidiaries	19	**3,689**	3,684
Deposits, cash and bank balances	23	**3,461**	3,422
		7,277	7,239
Total assets		**2,678,539**	2,655,461
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	25	**2,160,580**	2,155,630
Other reserves	26	**2,905,831**	2,905,831
Accumulated losses		**(2,393,600)**	(2,410,697)
Total equity		**2,672,811**	2,650,764
Current liabilities			
Trade and other payables	30	**891**	1,507
Amounts due to subsidiaries	32	**4,837**	3,190
Total liabilities		**5,728**	4,697
Total equity and liabilities		**2,678,539**	2,655,461

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the parent						
	Non-distributable						
	Share capital RM'000 (Note 25)	Treasury shares RM'000 (Note 25)	Other reserves RM'000 (Note 26)	Retained profits/ (accumulated losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2022	**2,155,630**	**–**	**(1,409,122)**	**954,143**	**1,700,651**	**1,153,071**	**2,853,722**
Total comprehensive loss for the financial year	**–**	**–**	**(101,563)**	**(119,945)**	**(221,508)**	**(182,742)**	**(404,250)**
Transactions with owners							
Transfer from capital reserves	**–**	**–**	**(1,629)**	**1,629**	**–**	**–**	**–**
Issue of share capital	**4,950**	**–**	**–**	**–**	**4,950**	**–**	**4,950**
Dividends to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**(1,357)**	**(1,357)**
Total transactions with owners	**4,950**	**–**	**(1,629)**	**1,629**	**4,950**	**(1,357)**	**3,593**
At 31 December 2022	**2,160,580**	**–**	**(1,512,314)**	**835,827**	**1,484,093**	**968,972**	**2,453,065**
At 1 July 2020	4,151,005	(20,903)	(1,610,686)	(932,472)	1,586,944	1,036,942	2,623,886
Total comprehensive income/(loss) for the financial period	–	–	198,627	(101,800)	96,827	138,334	235,161
Transactions with owners							
Transfer to capital reserves	–	–	2,937	(2,937)	–	–	–
Resale of treasury shares	–	20,903	–	(14,919)	5,984	–	5,984
Issue of share capital	4,625	–	–	–	4,625	–	4,625
Share capital reduction	(2,000,000)	–	–	2,000,000	–	–	–
Dilution of equity interests in a subsidiary	–	–	–	6,271	6,271	(6,271)	–
Dividends to non-controlling interests	–	–	–	–	–	(15,934)	(15,934)
Total transactions with owners	(1,995,375)	20,903	2,937	1,988,415	16,880	(22,205)	(5,325)
At 31 December 2021	2,155,630	–	(1,409,122)	954,143	1,700,651	1,153,071	2,853,722

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

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	← Non-distributable		→		
	Share capital RM'000 (Note 25)	Treasury shares RM'000 (Note 25)	Other reserves RM'000 (Note 26)	Accumulated losses RM'000	Total equity RM'000
At 1 January 2022	**2,155,630**	**–**	**2,905,831**	**(2,410,697)**	**2,650,764**
Total comprehensive income for the financial year	**–**	**–**	**–**	**17,097**	**17,097**
Transactions with owners					
Issue of share capital, representing total transactions with owners	**4,950**	**–**	**–**	**–**	**4,950**
At 31 December 2022	**2,160,580**	**–**	**2,905,831**	**(2,393,600)**	**2,672,811**
At 1 July 2020	4,151,005	(20,903)	2,905,831	(4,367,006)	2,668,927
Total comprehensive loss for the financial period	–	–	–	(28,772)	(28,772)
Transactions with owners					
Resale of treasury shares	–	20,903	–	(14,919)	5,984
Issue of share capital	4,625	–	–	–	4,625
Share capital reduction	(2,000,000)	–	–	2,000,000	–
Total transactions with owners	(1,995,375)	20,903	–	1,985,081	10,609
At 31 December 2021	2,155,630	–	2,905,831	(2,410,697)	2,650,764

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000
Cash flows from operating activities				
(Loss)/profit before tax:				
- Continuing operations	**(160,313)**	(58,368)	**17,122**	(28,820)
- Discontinued operations	**(1,160)**	27,772	**–**	–
Adjustments for:				
Depreciation and amortisation	**547,546**	931,362	**1**	2
Write off of:				
- Property, plant and equipment	**481**	7,657	**–**	–
- Intangible assets	**–**	247	**–**	–
Impairment loss on interests in subsidiaries	**–**	–	**–**	865
Loss on dissolution of a subsidiary	**–**	–	**–**	15
Effect of deconsolidation of a subsidiary	**–**	(42,153)	**–**	–
Write down of liabilities relating to a subsidiary in bankruptcy	**–**	(166,233)	**–**	–
Impairment loss on:				
- Property, plant and equipment	**3,112**	67,334	**–**	–
- An investment property	**–**	10,300	**–**	–
- Right-of-use assets	**25,057**	136,132	**–**	–
- Intangible assets	**32,500**	25,257	**–**	–
- Receivables	**12,992**	35,168	**–**	–
- Amounts due from subsidiaries	**–**	–	**97**	27,329
Write down of inventories	**656**	2,086	**–**	–
Reversal of impairment loss on:				
- Property, plant and equipment	**(1,271)**	(12,885)	**–**	–
- Right-of-use assets	**(6,630)**	(15,332)	**–**	–
- Receivables	**(2,844)**	(270)	**–**	(150)
- Amount due from a subsidiary	**–**	–	**(18,127)**	–
Unrealised foreign currency exchange loss/(gain)	**30,361**	(4,248)	**–**	–
Loss/(gain) on disposal of:				
- Property, plant and equipment	**1,980**	3,239	**–**	–
- Investment properties	**(811)**	–	**–**	–
- Subsidiaries	**(869)**	(197)	**–**	–
- Non-current assets classified as held for sale	**–**	586	**–**	–
Rent concessions related to COVID-19	**(40,717)**	(96,253)	**–**	–
Defined benefit plan	**–**	1,817	**–**	–
Share of results of associates	**1,001**	(7,223)	**–**	–
Share of results of joint ventures	**1,124**	2,165	**–**	–
Finance costs	**369,622**	608,833	**–**	–
Finance income	**(54,045)**	(93,635)	**(821)**	(1,565)
Income from subleasing right-of-use assets	**(581)**	(55,550)	**–**	–
Income from lease modification and lease termination	**(13,199)**	(101,281)	**–**	–
Dividend income from investment securities	**(750)**	(1,197)	**–**	–
Operating profit/(loss) before working capital changes	**743,242**	1,205,130	**(1,728)**	(2,324)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (continued)

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000
Cash flows from operating activities (continued)				
Operating profit/(loss) before working capital changes, brought forward	**743,242**	1,205,130	**(1,728)**	(2,324)
Changes in working capital:				
Inventories	**(10,806)**	(6,826)	**–**	–
Receivables	**(144,258)**	(151,445)	**(4,201)**	(7,392)
Payables	**(137,780)**	222,844	**1,031**	(243)
Cash flows generated from/ (used in) operations	**450,398**	1,269,703	**(4,898)**	(9,959)
Taxes (paid)/refunded	**(80,300)**	(129,941)	**(25)**	48
Interest paid	**(94,298)**	(113,542)	**–**	–
Interest received	**28,957**	57,417	**12**	297
Net cash flows generated from/ (used in) operating activities	**304,757**	1,083,637	**(4,911)**	(9,614)
Cash flows from investing activities				
Purchase of property, plant and equipment (Note 11(iv))	**(64,779)**	(170,078)	**–**	–
Additions to investment properties	**(37,810)**	(133,322)	**–**	–
Proceeds from disposal of:				
- Property, plant and equipment	**237**	2,609	**–**	–
- Investment properties	**3,838**	–	**–**	–
- Non-current assets classified as held for sale	**84,293**	39,290	**–**	–
Proceeds from subleases	**63,788**	73,699	**–**	–
Net cash inflow on disposal of equity interest in subsidiaries (Note 15(a))	**84**	39	**–**	–
Net cash outflow on deconsolidation of a subsidiary (Note 15(b))	**–**	(1,903)	**–**	–
Dividends received from:				
- Associates	**4,021**	219	**–**	–
- A joint venture	**–**	7,399	**–**	–
- Investment securities	**1,350**	83	**–**	–
Changes in:				
- Investment securities	**(11,171)**	95,224	**–**	–
- Deposits with banks	**431,799**	334,275	**–**	–
Net cash flows generated from investing activities	**475,650**	247,534	**–**	–

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (continued)

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Cash flows from financing activities				
Dividends paid to non-controlling interests	**(1,357)**	(15,934)	**–**	–
Proceeds from resale of treasury shares (Note 25(b))	**–**	5,984	**–**	5,984
Issue of share capital (Note 25(a))	**4,950**	4,625	**4,950**	4,625
Proceeds from loans and borrowings (Note 27)	**1,439,773**	129,991	**–**	–
Repayment of loans and borrowings (Note 27)	**(1,184,486)**	(710,342)	**–**	–
Payment of lease liabilities	**(586,023)**	(988,106)	**–**	–
Net cash flows (used in)/generated from financing activities	**(327,143)**	(1,573,782)	**4,950**	10,609
Net increase/(decrease) in cash and cash equivalents	**453,264**	(242,611)	**39**	995
Effects of changes in exchange rates	**(9,141)**	76,442	**–**	–
Cash and cash equivalents at beginning of the financial year/period	**807,145**	973,314	**3,422**	2,427
Cash and cash equivalents at end of the financial year/period (Note 23)	**1,251,268**	807,145	**3,461**	3,422

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 10 April 2023.

2. SUMMARY OF SIGNIFICANT 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"), International Financial Reporting 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.

The Group incurred a net loss of RM210,943,000 for the financial year ended 31 December 2022, and as of that date, the Group's current liabilities exceeded its current assets by RM120,635,000.

The financial statements of the Group have been drawn up on the basis of accounting principles applicable to a going concern, the validity of which depends on the following conditions:

(a) Cash flows of public listed subsidiaries i.e. Parkson Retail Group Limited and Parkson Retail Asia Limited, and other subsidiaries are managed and reviewed separately and independently.

(b) The Group will be able to generate sufficient cash flows from its retailing operations in Malaysia and China to pay its liabilities as and when they fall due, depends on the following conditions:

- continuing support from creditors and lenders;
- increase sales through promotional and marketing activities; and
- optimising operational efficiencies besides further implementing cost control measures.

(c) There are no financial guarantee that is likely to be materialised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The validity of the going concern assumption of the Group is dependent on the ability of the Group to rationalise the plans above, subject to other factors including but not limited to the general economic conditions in regions which the Group operates in. As the assumptions were made based on conditions prevailing as at the reporting date, actual outcome may differ materially from these assumptions.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of the recorded assets, or to the amounts and classification of liabilities that may be necessary.

2.2 Changes in accounting policies

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

On 1 January 2022, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2022.

Description

- Amendments to MFRS 3 Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to MFRSs 2018 - 2020

The adoption of the above standards and amendments 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 2023
- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods beginning on or after 1 January 2024
- Amendments to MFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Standards issued but not yet effective (continued)

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.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The Group controls an investee if, and only if, the Group has:

(i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) exposure, or rights, to variable returns from its investment with the investee; and
(iii) the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) the contractual arrangement with the other vote holders of the investee;
(ii) rights arising from other contractual arrangements; and
(iii) the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies to be in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation except when there are indications of impairment, unrealised losses are not eliminated.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9: Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with the changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the 'acquired' entity is reflected within equity as merger reserve/deficit. The profit or loss reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

At each reporting date, the Group's retained profits for the immediate preceding financial year after adjusting for proposed/declared dividend as at that date will be transferred to merger deficit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

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

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statements of profit or loss reflect the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statements of profit or loss outside operating profit or loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss in the Group's statements of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment and depreciation

Construction in progress, and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. 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. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

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

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statements of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at discretion of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statements of profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 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 (2021: 32 to 42 years). IPUC are not depreciated as they are not yet ready for their intended use.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the statements of profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

2.10 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. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Intangible assets (continued)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

- **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.

2.11 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 (2021: 42 to 45 years).

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statements of profit or loss in those expense categories consistent with the function of the impaired asset. In this case, the impairment is recognised in OCI up to the amount of any previous revaluation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statements of profit or loss unless the asset is carried at a revalued amount in which case, the reversal is treated as a revaluation increase.

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.

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, transaction costs, in the case of a financial asset not at FVPL.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15, are measured at the transaction price determined under MFRS 15.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial instruments (continued)

(a) Financial assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in 4 categories:

(a) financial assets at amortised cost (debt instruments)

(b) financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)

(c) financial assets at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

(d) financial assets at FVPL

- **Financial assets at amortised cost**

  The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

  - the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

  - the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

  Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement (continued)

- **Financial assets at FVOCI (debt instruments)**

  The Group and the Company measure debt instruments at FVOCI if both of the following conditions are met:

  - the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

  - the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

  For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statements of profit or loss and computed in the same manner as how financial assets are measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

- **Financial assets designated at FVOCI (equity instruments)**

  Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

  Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the statements of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

- **Financial assets at FVPL**

  Financial assets at FVPL include financial assets held for trading. Financial assets held for trading comprise investment securities, derivatives and financial assets acquired principally for the purpose of selling or repurchasing them in the near term.

  Subsequent to initial recognition, financial assets at FVPL are measured at fair value. Gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at FVPL do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at FVPL are recognised separately in profit or loss as part of other income or other expense.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in OCI for debt instruments is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial instruments (continued)

(b) Impairment of financial assets

The expected credit loss ("ECL") model applies to financial assets measured at amortised cost or at FVOCI, irrevocable loan commitments and financial guarantee contracts, which include loan receivables held by the Group.

- **Determining a significant increase in credit risk since initial recognition**

The assessment of significant deterioration since initial recognition is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL. The quantitative and qualitative assessments are required to estimate the significant increase in credit risk by comparing the risk of a default occurring on the financial assets as at the reporting date with the risk of default occurring on the financial assets as at the date of initial recognition. The Group applies a 3-stage approach based on the change in credit quality since initial recognition for loan receivables.

3-stage approach	Stage 1	Stage 2	Stage 3
	Performing	Under-performing	Non-performing
12-month	12-month ECL	Lifetime ECL	Lifetime ECL
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit-impaired
Interest revenue basis	Gross carrying amount	Gross carrying amount	Net carrying amount

For other financial assets, the Group and the Company apply a simplified approach in calculating ECLs. Under this approach, the Group and the Company do not track changes in credit risks, but instead recognise a loss allowance based on lifetime ECLs at each reporting date.

- **ECL measurement**

There are 3 main components to measure ECL: (i) a probability of default model ("PD"); (ii) a loss given default model ("LGD"); and (iii) the exposure at default model ("EAD"). The models are to leverage the Group's existing impairment model and credit risk management process as much as possible and perform the required adjustments to produce the MFRS 9 compliant model.

MFRS 9 does not distinguish between individual assessment and collective assessment. Therefore, the Group has decided to continue measuring the impairment mainly on an individual transaction basis for financial assets that are deemed to be individually significant, and collectively assesses other financial assets according to Group's policy.

The Group considers multiple scenarios based on economic condition when estimating the ECL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial instruments (continued)

(b) Impairment of financial assets (continued)

- **Expected life**

  Lifetime ECL must be measured over the expected life. This is restricted to the maximum contractual life and takes into account expected prepayment.

- **Financial assets at FVOCI**

  The ECLs for financial assets measured at FVOCI do not reduce the carrying amount of these financial assets in the statements of financial position which remains at fair value. Instead, an amount equals to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to profit and loss upon derecognition of the assets.

- **Forward-looking information**

  In the Group's ECL models, the Group considers applicable forward-looking information in the measurement of ECL based on the Group's existing resources.

(c) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction cost.

The Group's financial liabilities include trade payables, other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at FVPL**

  Financial liabilities at FVPL include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling or repurchasing them in the near term. This category includes derivative financial instruments entered into by the Group and by the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9.

  Gains or losses on liabilities held for trading are recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial instruments (continued)

(c) Financial liabilities (continued)

Subsequent measurement (continued)

- **Financial liabilities at amortised cost**

  After initial recognition, other financial liabilities, including loans and borrowings, are subsequently measured at amortised cost using the EIR method. Gains or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

  This category generally applies to trade and other payables, lease liabilities, and loans and borrowings. Financial liabilities are classified as current liabilities, except for those having repayment date later than 12 months after the reporting date which are classified as non-current.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, with a maturity of three months or less. These may also include bank overdrafts (if any) that form an integral part of the cash management process.

Bank overdrafts are shown in current liabilities in the statements of financial position.

For the purpose of the financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the end of the reporting date are classified as non-current asset.

2.15 Inventories

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 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.

2.19 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/non-current classification. An asset is classified as current when it is:

(i) expected to be realised or intended to be sold or consumed in the normal operating cycle;
(ii) held primarily for the purpose of trading;
(iii) expected to be realised within twelve months after the reporting period; or
(iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(i) it is expected to be settled in the normal operating cycle;
(ii) it is held primarily for the purpose of trading;
(iii) it is due to be settled within twelve months after the reporting period; or
(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Pursuant to the relevant laws and regulations in the respective countries, the subsidiaries of the Group operating with employees are required to participate in the retirement benefit schemes organised by the local jurisdiction whereby the Group is required to contribute a certain percentage of the salaries of its employees to the retirement benefits scheme. The only obligation of the Group with respect to the retirement benefits scheme is to pay the ongoing required contributions. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions made to the defined contribution retirement benefits scheme are charged to the statements of profit or loss in the period in which the related service is performed.

(b) Defined benefit plan

The Group made provision for employee service entitlements in order to meet the minimum benefits required to be paid to qualified employees, as required under the Indonesian Labour Law No. 13/2003. The said provisions, which were unfunded, were estimated using actuarial calculations based on the report prepared by an independent firm of actuaries.

Actuarial gains or losses were recognised in OCI when incurred. The unvested past service costs were recognised as an expense in the period they occurred.

The related estimated liability for employee benefits was the aggregate of the present value of the defined benefit obligation at the end of the reporting period.

2.21 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Retail and office premises	2 - 20 years
Furniture, fittings and other equipment	2 - 6 years
Motor vehicles	5 - 7 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as disclosed in Note 2.12.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date as the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced upon the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (i.e. a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed in Note 13(b).

(c) Short term leases and leases of low-value assets

The Group applies the exemption to its short term leases (i.e. those leases that have lease terms of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets e.g. leases of office equipment that are considered to be of low value. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. Lease payments on short term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statements of profit or loss due to its operating nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Leases (continued)

Group as a lessor (continued)

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying assets to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance costs of such leases are charged to the statements of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

2.22 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in RM, which is also the Company's functional currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Foreign currency (continued)

(c) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.23 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group and the Company recognise revenue when or as they transfer control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group and the Company transfer control of a good or service over time and, therefore, satisfy a performance obligation and recognise revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;

- the Group's and the Company's performance create or enhance an asset (for example, work-in-progress) that the customer controls as the asset is created or enhanced; or

- the Group's and the Company's performance do not create an asset with an alternative use to the Group and the Company and the Group and the Company have enforceable rights to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group and the Company satisfy the performance obligation at a point in time.

(a) Sale of goods

Revenue on sale of goods is recognised 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 upon the sale of goods by the concessionaire.

(c) Interest income

For all financial instruments measured at amortised cost, interest income or expense is recorded using the EIR method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included as finance income in the statements of profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Revenue recognition (continued)

(d) Revenue from services

Revenue from services rendered is recognised net of service taxes and discounts and when the services are rendered.

(e) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(f) Promotion income and sales commissions

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

(g) 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.

(h) Revenue from customer loyalty award

Revenue from customer loyalty award is recognised 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 statement 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.

(i) Dividend income

Dividend income is recognised when the Group's right to receive payment is established, which is generally when shareholders approve the dividend.

(j) Revenue from food and beverage operations

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

(k) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.25 Income taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statements of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Income taxes (continued)

(b) Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

2.26 Segmental reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 Ordinary share capital and share issuance expenses

Equity instruments are any contracts that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Share capital represents the nominal value of shares that have been issued. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.28 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.29 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group.

2.30 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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Non-current asset held for sale or distribution to owners

Non-current assets, or disposal group comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution to owners rather than through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, contract assets, contract costs, financial assets, deferred tax assets, employee benefit assets and investment properties, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint ventures ceases once classified as held for sale or distribution.

2.32 Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:

  (i) has control or joint control over the Group;
  (ii) has significant influence over the Group; or
  (iii) is a member of the key management personnel of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

  (i) the entity and the Group are members of the same group;
  (ii) one entity is an associate or joint venture of the other entity;
  (iii) both entities are joint ventures of the same third party;
  (iv) an entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  (v) the entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group;
  (vi) the entity is controlled or jointly-controlled by a person identified in (a) above;
  (vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the Group; or
  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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.

(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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

3.2 Key sources of estimation uncertainties

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

(i) Income taxes

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

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 ECLs for loan receivables from credit services segment. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating).

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

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

3.2 Key sources of estimation uncertainties (continued)

(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 segments as follows:

	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**
Retailing - China	**32,500**	24,698
Others	**–**	559
	32,500	25,257

(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 RM1,236,376,000 (2021: RM1,208,475,000) of unused tax losses and RM30,538,000 (2021: RM29,136,000) 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.

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 RM316,004,000 (2021: RM315,351,000). Further details on deferred taxes are disclosed in Note 18.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

3.2 Key sources of estimation uncertainties (continued)

(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 year are disclosed in Notes 11 and 13(a) respectively.

The pre-tax discount rates applied to the cash flow projection for Malaysia, China and Vietnam are 7.8% (2021: 8.0%), 10.5% (2021: 14.0%) and 17.3% (2021: 8.9%) respectively.

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

	Property, plant and equipment		**Right-of-use assets**	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Retailing:				
- Malaysia	**–**	14,295	**–**	–
- China	**2,400**	28,601	**25,057**	23,862
- Vietnam	**712**	10,331	**–**	4,439
- Indonesia	**–**	14,107	**–**	107,831
	3,112	67,334	**25,057**	136,132

(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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

3.2 Key sources of estimation uncertainties (continued)

(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 2022, the Group has the balance of provisions for restoration costs of RM23,033,000 (2021: RM21,606,000). A 10% difference in the estimated costs to restore the leased areas would result in approximately RM2,303,000 (2021: RM2,161,000) variance in provisions for restoration costs. Further details on provisions for restoration costs are disclosed in Note 29.

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

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

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

During the financial year ended 31 December 2022, the Group had entered into sale and purchase agreements with third parties to dispose certain property, plant and equipment and investment properties, and equity interests in joint ventures. The Group had also identified and commenced negotiations with a potential purchaser for the proposed disposal of part of a leasehold land and subsequent to the reporting date, had entered into a sale and purchase agreement in relation to the proposed disposal. These assets were reclassified as non-current assets classified as held for sale as at 31 December 2022. The Group considers these assets meet the criteria to be classified as held for sale for the following reasons:

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

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

4. REVENUE

	Group	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**
Continuing operations		
Revenue from contracts with customers: (i)		
Sales of goods - direct sales	**1,739,139**	2,986,500
Commissions from concessionaire sales (ii)	**872,460**	1,357,327
Food and beverage ("F&B") operations	**6,729**	7,932
Consultancy and management service fees	**7,379**	27,909
	2,625,707	4,379,668
Revenue from other sources:		
Rental income	**250,074**	377,410
Credit services	**46,050**	61,583
Dividend income from investment securities	**750**	1,197
	296,874	440,190
	2,922,581	4,819,858
Discontinued operations		
Revenue from contracts with customers: (i)		
Sales of goods - direct sales	–	1,510
Commissions from concessionaire sales (ii)	–	16,836
	–	18,346
Revenue from other sources:		
Rental income	–	7,105
	–	25,451

4. REVENUE (continued)

(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
For the financial year ended 31 December 2022					
Continuing operations					
Geographical market:					
Within Malaysia	**343,255**	**406,908**	**6,729**	**–**	**756,892**
Outside Malaysia	**1,395,884**	**465,552**	**–**	**7,379**	**1,868,815**
	1,739,139	**872,460**	**6,729**	**7,379**	**2,625,707**
Timing of revenue recognition:					
At a point in time	**1,739,139**	**872,460**	**6,729**	**–**	**2,618,328**
Over time	**–**	**–**	**–**	**7,379**	**7,379**
	1,739,139	**872,460**	**6,729**	**7,379**	**2,625,707**

4. REVENUE (continued)

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

	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
For the financial period ended 31 December 2021					
Continuing operations					
Geographical market:					
Within Malaysia	362,391	351,734	7,932	–	722,057
Outside Malaysia	2,624,109	1,005,593	–	27,909	3,657,611
	2,986,500	1,357,327	7,932	27,909	4,379,668
Timing of revenue recognition:					
At a point in time	2,986,500	1,357,327	7,932	–	4,351,759
Over time	–	–	–	27,909	27,909
	2,986,500	1,357,327	7,932	27,909	4,379,668
Discontinued operations					
Geographical market:					
Outside Malaysia	1,510	16,836	–	–	18,346
Timing of revenue recognition:					
At a point in time	1,510	16,836	–	–	18,346

4. **REVENUE** (continued)

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

	Group	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**
Gross revenue from concessionaire sales		
- Continuing operations	**4,996,720**	8,146,284
- Discontinued operations	**–**	97,795
Commissions from concessionaire sales		
- Continuing operations	**872,460**	1,357,327
- Discontinued operations	**–**	16,836

5. **OTHER INCOME**

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Continuing operations				
Management fees	**71,123**	98,600	**–**	–
Promotion income	**29,446**	57,804	**–**	–
Administration fees	**90,162**	117,923	**–**	–
Credit card handling fees	**16,000**	29,466	**–**	–
Equipment and display space lease income	**36,154**	57,756	**–**	–
Service fees	**14,918**	26,087	**–**	–
Government grants (i)	**6,855**	7,397	**–**	–
Income from subleasing right-of-use assets	**581**	55,550	**–**	–
Income from lease modification and lease termination	**13,199**	63,031	**–**	–
Others	**41,355**	75,230	**–**	150
	319,793	588,844	**–**	150
Discontinued operations				
Income from lease modification and lease termination	**–**	38,250	**–**	–
Others	**153**	3,599	**–**	–
	153	41,849	**–**	–

(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. During the financial year/period, government grants were granted to relieve the subsidiaries' burdens of their challenges related to COVID-19. There were no unfulfilled conditions or contingencies attached to these government grants.

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Continuing operations				
Wages, salaries and bonuses	**358,537**	578,564	**195**	292
Defined contribution plans	**44,839**	51,668	**–**	–
Defined benefit plan	**–**	1,817	**–**	–
Other staff related expenses	**70,321**	99,083	**9**	17
	473,697	731,132	**204**	309
Discontinued operations				
Wages, salaries and bonuses	**–**	1,596	**–**	–
Other staff related expenses	**–**	1,284	**–**	–
	–	2,880	**–**	–

Included in employee benefits expense of the Group and of the Company are executive Directors' remuneration amounting to RM3,368,000 (2021: RM4,780,000) and RM203,000 (2021: RM308,000) respectively as further disclosed in Note 8(b).

7. FINANCE INCOME/COSTS

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Finance income				
Continuing operations				
Interest income on:				
Short term deposits and others	**25,725**	43,440	**12**	70
Amounts due from subsidiaries	**–**	–	**809**	1,495
Lease receivables from subleases	**25,474**	39,743	**–**	–
Discount adjustments on rental deposits receivable	**1,149**	4,499	**–**	–
Gain on redemption of financial assets at fair value through profit or loss ("FVPL")	**946**	4,804	**–**	–
Change of fair value of financial assets at FVPL	**751**	1,134	**–**	–
	54,045	93,620	**821**	1,565
Discontinued operations				
Interest income on:				
Short term deposits and others	**–**	15	**–**	–

7. FINANCE INCOME/COSTS (continued)

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Finance costs				
Continuing operations				
Interest expenses on:				
Term loans and bank loans	**93,104**	112,737	**–**	–
Bank overdrafts and others	**388**	507	**–**	–
Lease liabilities	**275,543**	484,413	**–**	–
Unwinding of discount on:				
Rental deposits payable	**29**	12	**–**	–
Provisions for restoration costs	**558**	680	**–**	–
	369,622	598,349	**–**	–
Discontinued operations				
Interest expenses on:				
Lease liabilities	**–**	10,405	**–**	–
Others	**–**	79	**–**	–
	–	10,484	**–**	–

8. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Continuing operations				
Directors' remuneration (Note 8(b))	**3,547**	5,041	**382**	569
Auditors' remuneration related to:				
Statutory audit:				
- Grant Thornton Malaysia PLT	**862**	1,076	**30**	38
- member firm of Grant Thornton International	**2,400**	2,407	**–**	–
- Other auditors	**539**	1,994	**–**	–
- Overprovision	**(35)**	–	**–**	–
Assurance-related services:				
- Grant Thornton Malaysia PLT	**14**	8	**8**	8
- member firm of Grant Thornton International	**241**	182	**–**	–
- Other auditors	**38**	37	**–**	–
Depreciation and amortisation:				
- Property, plant and equipment	**144,510**	251,629	**1**	2
- Investment properties	**5,779**	8,955	**–**	–
- Right-of-use assets	**397,209**	658,070	**–**	–
- Intangible assets	**48**	753	**–**	–
Write off of:				
- Property, plant and equipment	**481**	7,657	**–**	–
- Intangible assets	**–**	247	**–**	–
Impairment loss on interests in subsidiaries (Note 15)	**–**	–	**–**	865
Loss on dissolution of a subsidiary	**–**	–	**–**	15
Allowance for impairment loss on receivables (Notes 20 and 21)	**12,992**	35,168	**–**	–
Write down of inventories	**656**	2,086	**–**	–
Reversal of impairment loss on:				
- Property, plant and equipment	**(1,271)**	(12,885)	**–**	–
- Right-of-use assets	**(6,630)**	(15,332)	**–**	–
- Receivables	**(2,844)**	(270)	**–**	(150)
Foreign currency exchange loss/(gain), net:				
- Realised	**5,417**	(7,242)	**–**	1
- Unrealised	**30,361**	(4,248)	**–**	–
Loss/(gain) on disposal of:				
- Property, plant and equipment	**1,980**	5,191	**–**	–
- Investment properties	**(811)**	–	**–**	–
- Subsidiaries (Note 15(a))	**(869)**	(197)	**–**	–
Operating lease rentals in respect of leased properties:				
- Minimum lease payments	**64,624**	106,618	**–**	–
- Rent concessions related to COVID-19	**(40,717)**	(96,253)	**–**	–

8. (LOSS)/PROFIT BEFORE TAX (continued)

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

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Discontinued operations				
Auditors' remuneration related to statutory audit:				
- Other auditors	**16**	52	**–**	–
Depreciation and amortisation:				
- Property, plant and equipment	**–**	319	**–**	–
- Right-of-use assets	**–**	11,636	**–**	–
Gain on disposal of property, plant and equipment	**–**	(1,952)	**–**	–
Loss on disposal of non-current assets classified as held for sale	**–**	586	**–**	–
Operating lease rentals in respect of leased properties:				
- Minimum lease payments	**–**	3,485	**–**	–

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

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Continuing operations				
Executive Directors:				
Fees	**331**	371	**75**	112
Salaries and other emoluments	**2,991**	4,349	**128**	196
Pension costs - defined contribution plans	**46**	60	**–**	–
	3,368	4,780	**203**	308
Non-executive Directors:				
Fees	**145**	211	**145**	211
Other emoluments	**34**	50	**34**	50
	179	261	**179**	261
Total Directors' remuneration (Note 8(a))	**3,547**	5,041	**382**	569

8. (LOSS)/PROFIT BEFORE TAX (continued)

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

	Number of Directors			
	Group		Company	
	1.1.2022 to 31.12.2022	**1.7.2020 to 31.12.2021**	**1.1.2022 to 31.12.2022**	**1.7.2020 to 31.12.2021**
Continuing operations				
Executive Directors:				
- RM50,000 and below	**–**	–	**1**	1
- RM150,001 to RM200,000	**–**	–	**1**	–
- RM250,001 to RM300,000	**–**	–	**–**	1
- RM450,001 to RM500,000	**1**	–	**–**	–
- RM650,001 to RM700,000	**–**	1	**–**	–
- RM2,850,001 to RM2,900,000	**1**	–	**–**	–
- RM4,100,001 to RM4,150,000	**–**	1	**–**	–
Non-executive Directors *:				
- RM50,000 and below	**1**	–	**1**	–
- RM50,001 to RM100,000	**3**	3	**3**	3

* 31.12.2022 : Including a Director who was appointed on 24 November 2022.

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

9. INCOME TAX EXPENSE/(CREDIT)

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

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Continuing operations				
Income tax:				
Malaysian income tax	**53,194**	13,445	**4**	23
Foreign tax	**31,368**	147,207	**–**	–
	84,562	160,652	**4**	23
(Over)/under provision in prior years	**(807)**	(4,777)	**21**	(71)
	83,755	155,875	**25**	(48)
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	**(35,694)**	(50,965)	**–**	–
Under/(over) provision in prior years	**1,409**	(5,575)	**–**	–
	(34,285)	(56,540)	**–**	–
Total income tax expense/(credit)	**49,470**	99,335	**25**	(48)

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% (2021: 24%) of the estimated assessable profit or loss for the year/period.

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% (2021: 25%) on their respective taxable income. As at 31 December 2022, 3 (2021: 4) 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% (2021: 20%, 17%, 20%, 20% and 25%) respectively for the financial year ended 31 December 2022.

9. INCOME TAX EXPENSE/(CREDIT) (continued)

Reconciliation between tax expense/(credit) and accounting loss

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

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
(Loss)/profit before tax:				
- Continuing operations	**(160,313)**	(58,368)	**17,122**	(28,820)
- Discontinued operations	**(1,160)**	27,772	**–**	–
	(161,473)	(30,596)	**17,122**	(28,820)
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	**(38,754)**	(7,343)	**4,109**	(6,917)
Different tax rates in other jurisdiction	**(238)**	(9,178)	**–**	–
Expenses not deductible for tax purposes	**28,664**	71,558	**439**	6,976
Income not subject to tax	**(2,173)**	(68,848)	**(4,544)**	(36)
Deferred tax assets not recognised	**66,365**	136,649	**–**	–
Utilisation of previously unrecognised tax losses	**(6,040)**	(2,159)	**–**	–
Reversal of previously recognised tax losses	**1,095**	9,363	**–**	–
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	**(561)**	(19,141)	**–**	–
(Over)/under provision of income tax in prior years	**(807)**	(4,777)	**21**	(71)
Under/(over) provision of deferred tax in prior years	**1,409**	(5,575)	**–**	–
Effects on share of results of associates and joint ventures	**510**	(1,214)	**–**	–
Tax expense/(credit)	**49,470**	99,335	**25**	(48)

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

10. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit for the financial year/period attributable to owners of the parent by the weighted average number of ordinary shares in issue (net of treasury shares) during the financial year/period.

	Group	
	1.1.2022 to 31.12.2022	**1.7.2020 to 31.12.2021**
(Loss)/profit for the financial year/period attributable to owners of the parent (RM'000):		
- Continuing operations	**(119,157)**	(120,674)
- Discontinued operations	**(788)**	18,874
	(119,945)	(101,800)
Weighted average number of ordinary shares in issue ('000)	**1,143,971**	1,077,460
Basic (loss)/earnings per share (sen):		
- Continuing operations	**(10.42)**	(11.20)
- Discontinued operations	**(0.07)**	1.75
	(10.49)	(9.45)

(b) Diluted

The basic (loss)/earnings per share and the diluted (loss)/earnings per share are the same for the financial year/period as the Company has no dilutive potential ordinary shares as at the end of the reporting date.

11. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings (i) RM'000	Office equipment and vehicles RM'000	Furniture, fittings and other equipment RM'000	Renovations (ii) RM'000	Capital work-in-progress (iii) RM'000	Total RM'000
At 31 December 2022						
Cost						
At 1 January 2022	1,785,555	16,269	465,384	1,373,937	539,815	4,180,960
Additions	–	590	6,962	50,140	9,160	66,852
Disposals	–	(2,756)	(17,255)	(108,160)	–	(128,171)
Write off	–	–	(20,159)	(15,601)	–	(35,760)
Disposal of a subsidiary (Note 15(a)(i))	–	–	(7,475)	–	–	(7,475)
Reclassification to non-current assets classified as held for sale (Note 34)	(208,836)	–	–	–	–	(208,836)
Reclassification	–	–	634	23,846	(24,480)	–
Exchange differences	(61,045)	66	(12,849)	(27,647)	(15,189)	(116,664)
At 31 December 2022	1,515,674	14,169	415,242	1,296,515	509,306	3,750,906
Accumulated depreciation						
At 1 January 2022	461,935	13,677	355,301	1,118,619	–	1,949,532
Charge for the financial year	44,715	472	27,755	71,568	–	144,510
Disposals	–	(2,641)	(15,377)	(107,936)	–	(125,954)
Write off	–	–	(13,030)	(15,218)	–	(28,248)
Disposal of a subsidiary (Note 15(a)(i))	–	–	(6,572)	–	–	(6,572)
Reclassification to non-current assets classified as held for sale (Note 34)	(150,433)	–	–	–	–	(150,433)
Exchange differences	(13,906)	1	(5,750)	(23,913)	–	(43,568)
At 31 December 2022	342,311	11,509	342,327	1,043,120	–	1,739,267
Accumulated impairment loss						
At 1 January 2022	–	36	30,745	50,242	37,085	118,108
Impairment loss for the financial year	–	14	1,979	1,119	–	3,112
Reversal of impairment loss for the financial year	–	–	(569)	(558)	(144)	(1,271)
Write off	–	–	(6,858)	(173)	–	(7,031)
Exchange differences	–	–	(1,229)	(8,643)	2,055	(7,817)
At 31 December 2022	–	50	24,068	41,987	38,996	105,101
Net carrying amount						
At 31 December 2022	1,173,363	2,610	48,847	211,408	470,310	1,906,538

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Buildings [i] RM'000	Land 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 2021							
Cost							
At 1 July 2020	1,692,838	9,942	16,736	548,640	1,425,954	503,166	4,197,276
Additions	–	–	1,171	21,919	105,155	43,520	171,765
Disposals	–	–	(2,004)	(70,896)	(116,428)	(10,188)	(199,516)
Write off	–	–	–	(45,002)	(54,937)	(76)	(100,015)
Deconsolidation of a subsidiary	(37,060)	(9,562)	(512)	(11,129)	(92,057)	–	(150,320)
Reclassification	352	–	–	3,067	28,659	(32,078)	–
Exchange differences	129,425	(380)	878	18,785	77,591	35,471	261,770
At 31 December 2021	1,785,555	–	16,269	465,384	1,373,937	539,815	4,180,960
Accumulated depreciation							
At 1 July 2020	374,745	–	14,384	396,739	1,106,144	–	1,892,012
Charge for the financial period	68,752	–	747	52,075	130,374	–	251,948
Disposals	–	–	(1,847)	(58,847)	(105,410)	–	(166,104)
Write off	–	–	–	(38,518)	(34,948)	–	(73,466)
Deconsolidation of a subsidiary	(5,493)	–	(416)	(9,704)	(47,347)	–	(62,960)
Exchange differences	23,931	–	809	13,556	69,806	–	108,102
At 31 December 2021	461,935	–	13,677	355,301	1,118,619	–	1,949,532
Accumulated impairment loss							
At 1 July 2020	–	–	34	33,421	85,956	38,218	157,629
Impairment loss for the financial period	–	–	35	32,861	34,438	–	67,334
Reversal of impairment loss for the financial period	–	–	–	(10,990)	(1,895)	–	(12,885)
Disposals	–	–	(167)	(22,954)	(4,443)	–	(27,564)
Write off	–	–	–	(1,940)	(16,952)	–	(18,892)
Deconsolidation of a subsidiary	–	–	–	–	(44,662)	–	(44,662)
Exchange differences	–	–	134	347	(2,200)	(1,133)	(2,852)
At 31 December 2021	–	–	36	30,745	50,242	37,085	118,108
Net carrying amount							
At 31 December 2021	1,323,620	–	2,556	79,338	205,076	502,730	2,113,320

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Office equipment 2022 RM'000	2021 RM'000
Cost		
At beginning/end of the financial year/period	**9**	9
Accumulated depreciation		
At beginning of the financial year/period	**4**	2
Charge for the financial year/period	**1**	2
At end of the financial year/period	**5**	4
Net carrying amount		
At end of the financial year/period	**4**	5

(i) As at 31 December 2022, net carrying amount of buildings of RM894,572,000 (2021: RM1,058,844,000) 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 2022 is a building under construction located in Tianjin City, the PRC of Rmb739,240,000 (equivalent to approximately RM467,348,000) (2021: Rmb741,203,000 or equivalent to approximately RM485,266,000). As at 31 December 2021, the building was pledged with financial institutions for banking facilities extended to the Group as disclosed in Note 27.

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

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Aggregate costs of purchase of property, plant and equipment	**66,852**	171,765	**–**	–
Provisions for restoration costs (Note 29)	**(2,073)**	(1,687)	**–**	–
Cash payments during the financial year/period	**64,779**	170,078	**–**	–

12. INVESTMENT PROPERTIES

Group	2022 Completed investment properties (i) RM'000	2022 IPUC (ii) RM'000	2022 Total RM'000	2021 Completed investment properties (i) RM'000	2021 IPUC (ii) RM'000	2021 Total RM'000
Cost						
At beginning of the financial year/period	**424,966**	**194,033**	**618,999**	269,361	194,033	463,394
Additions	**37,810**	**–**	**37,810**	133,322	–	133,322
Disposals	**(3,531)**	**–**	**(3,531)**	–	–	–
Reclassification to non-current assets classified as held for sale (Note 34)	**(34,327)**	**(58,932)**	**(93,259)**	–	–	–
Exchange differences	**(14,793)**	**–**	**(14,793)**	22,283	–	22,283
At end of the financial year/period	**410,125**	**135,101**	**545,226**	424,966	194,033	618,999
Accumulated depreciation						
At beginning of the financial year/period	**78,767**	**–**	**78,767**	64,371	–	64,371
Charge for the financial year/period	**5,779**	**–**	**5,779**	8,955	–	8,955
Disposals	**(504)**	**–**	**(504)**	–	–	–
Reclassification to non-current assets classified as held for sale (Note 34)	**(11,666)**	**–**	**(11,666)**	–	–	–
Exchange differences	**(2,854)**	**–**	**(2,854)**	5,441	–	5,441
At end of the financial year/period	**69,522**	**–**	**69,522**	78,767	–	78,767
Accumulated impairment loss						
At beginning of the financial year/period	**–**	**33,833**	**33,833**	–	23,533	23,533
Impairment loss for the financial year/period	**–**	**–**	**–**	–	10,300	10,300
Reclassification to non-current assets classified as held for sale (Note 34)	**–**	**(10,576)**	**(10,576)**	–	–	–
At end of the financial year/period	**–**	**23,257**	**23,257**	–	33,833	33,833
Net carrying amount						
At end of the financial year/period	**340,603**	**111,844**	**452,447**	346,199	160,200	506,399
Fair value						
At end of the financial year/period	**2,023,040**	**112,000**	**2,135,040**	2,095,040	160,200	2,255,240

12. INVESTMENT PROPERTIES (continued)

	Group	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**
Rental income derived from investment properties	**1,599**	908
Direct operating expenses (including repair and maintenance) generating rental income	**(1,000)**	(331)
Profit arose from investment properties	**599**	577

(i) The Group's completed investment properties consist of commercial buildings. The fair values of buildings as at 31 December 2022 and 31 December 2021 were determined on an open market, existing use basis by the Group. The fair values of the completed investment properties are categorised as Level 3 under the fair value hierarchy.

Certain portions of the buildings are held for own use by the Group and such portions are classified as property, plant and equipment.

(ii) IPUC comprises land held by the Group. The land measuring 29.22 acres is located in Melaka, Malaysia and has a leasehold term of 99 years. The land is strategically located in a prime area designated for mixed development purposes. The net carrying amount of IPUC of RM48,356,000 were reclassified as non-current assets classified as held for sale as at 31 December 2022 as disclosed in Note 34(ii).

The fair values of the land as at 31 December 2022 and 31 December 2021 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 2022, net carrying amount of investment properties of RM449,989,000 (2021: RM476,021,000) are pledged for loan facilities extended to the Group as disclosed in Note 27.

13. LEASES

The Group as a lessee

The Group has lease contracts for various items of property and other equipment used in its operations. Leases of these assets generally have lease terms between 2 to 20 years. Certain lease contracts have lease terms of 12 months or less and/or is individually of low value. There are several lease contracts that include variable lease payments, which are further discussed below:

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the financial year/period are as follows:

	Leasehold land RM'000	Retail and office premises RM'000	Furniture, fittings and other equipment RM'000	Motor vehicles RM'000	Total RM'000
At 1 January 2022	**232,132**	**2,310,604**	**4,554**	**265**	**2,547,555**
Additions	**–**	**122,244**	**–**	**–**	**122,244**
Decrease arising from lease term modification and termination	**–**	**(65,179)**	**–**	**–**	**(65,179)**
Decrease arising from sublease	**–**	**(24,452)**	**–**	**–**	**(24,452)**
Depreciation	**(8,683)**	**(387,190)**	**(1,240)**	**(96)**	**(397,209)**
Impairment loss	**–**	**(25,057)**	**–**	**–**	**(25,057)**
Reversal of impairment loss	**–**	**6,630**	**–**	**–**	**6,630**
Disposal of a subsidiary	**–**	**(5,075)**	**–**	**–**	**(5,075)**
Exchange differences	**(7,710)**	**(58,375)**	**258**	**15**	**(65,812)**
At 31 December 2022	**215,739**	**1,874,150**	**3,572**	**184**	**2,093,645**
At 1 July 2020	226,815	2,975,957	5,724	361	3,208,857
Additions	–	122,461	–	–	122,461
Decrease arising from lease term modification and termination	–	(120,992)	–	–	(120,992)
Decrease arising from sublease	–	(46,624)	–	–	(46,624)
Depreciation	(12,650)	(655,773)	(1,191)	(92)	(669,706)
Impairment loss	–	(136,132)	–	–	(136,132)
Reversal of impairment loss	–	15,332	–	–	15,332
Exchange differences	17,967	156,375	21	(4)	174,359
At 31 December 2021	232,132	2,310,604	4,554	265	2,547,555

13. LEASES (continued)

The Group as a lessee (continued)

(a) Right-of-use assets (continued)

Lump sum payments were made upfront to acquire the leased land with lease periods ranging from 42 to 45 years (2021: 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 2022, net carrying amount of leasehold land of RM209,474,000 (2021: RM225,342,000) are pledged with financial institutions for banking facilities extended to the Group as disclosed in Note 27.

(b) Lease liabilities

The carrying amounts of the Group's lease liabilities and the movements during the financial year/period are as follows:

	Group	
	2022	**2021**
	RM'000	**RM'000**
At beginning of the financial year/period	**3,249,903**	3,948,948
Additions arising from new leases	**112,564**	107,019
Decrease arising from lease term modification and termination	**(78,378)**	(273,069)
Rent concessions	**(40,717)**	(96,253)
Interest expense	**275,543**	494,818
Payments	**(586,023)**	(988,106)
Disposal of a subsidiary	**(6,145)**	–
Deconsolidation of a subsidiary	**–**	(40,638)
Write down of liabilities relating to a subsidiary in bankruptcy	**–**	(121,977)
Exchange differences	**(80,075)**	219,161
At end of the financial year/period	**2,846,672**	3,249,903
Disclosed as:		
Current	**516,887**	508,000
Non-current	**2,329,785**	2,741,903
	2,846,672	3,249,903

13. LEASES (continued)

The Group as a lessee (continued)

(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 2022, variable lease payments that are recognised in the consolidated statement of profit or loss amounted to RM64,624,000 (2021:RM110,103,000).

(d) Total cash outflows

During the financial year ended 31 December 2022, the Group had total cash outflows for leases of RM650,647,000 (2021: RM1,098,209,000).

(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	
	2022	**2021**
	RM'000	**RM'000**
Extension options expected not to be exercised		
Within five years	**42,089**	101,774
More than five years	**68,709**	218,734
	110,798	320,508

14. INTANGIBLE ASSETS

Group	Goodwill RM'000	Computer software RM'000	Club memberships RM'000	Brands RM'000	Total RM'000
Cost					
At 1 July 2020	1,538,548	19,441	387	47,813	1,606,189
Write off	–	(247)	–	–	(247)
Deconsolidation of a subsidiary	(11,727)	(2,898)	–	–	(14,625)
Exchange differences	95,553	723	1	3,473	99,750
At 31 December 2021 and 1 January 2022	**1,622,374**	**17,019**	**388**	**51,286**	**1,691,067**
Reclassification to non-current assets classified as held for sale (Note 34)	**(63,513)**	**–**	**–**	**–**	**(63,513)**
Exchange differences	**(46,940)**	**(420)**	**(4)**	**(1,598)**	**(48,962)**
At 31 December 2022	**1,511,921**	**16,599**	**384**	**49,688**	**1,578,592**
Accumulated amortisation					
At 1 July 2020	–	17,855	172	11,920	29,947
Amortisation	–	337	1	415	753
Deconsolidation of a subsidiary	–	(2,337)	–	–	(2,337)
Exchange differences	–	764	–	848	1,612
At 31 December 2021 and 1 January 2022	**–**	**16,619**	**173**	**13,183**	**29,975**
Amortisation	**–**	**48**	**–**	**–**	**48**
Exchange differences	**–**	**(425)**	**(4)**	**(397)**	**(826)**
At 31 December 2022	**–**	**16,242**	**169**	**12,786**	**29,197**
Accumulated impairment loss					
At 1 July 2020	277,850	296	–	34,492	312,638
Impairment loss	23,652	559	–	1,046	25,257
Deconsolidation of a subsidiary	(11,727)	(561)	–	–	(12,288)
Exchange differences	19,443	3	–	2,565	22,011
At 31 December 2021 and 1 January 2022	**309,218**	**297**	**–**	**38,103**	**347,618**
Impairment loss	**32,500**	**–**	**–**	**–**	**32,500**
Exchange differences	**(9,984)**	**(6)**	**–**	**(1,201)**	**(11,191)**
At 31 December 2022	**331,734**	**291**	**–**	**36,902**	**368,927**
Net carrying amount					
At 31 December 2022	**1,180,187**	**66**	**215**	**–**	**1,180,468**
At 31 December 2021	1,313,156	103	215	–	1,313,474

14. INTANGIBLE ASSETS (continued)

Company	Club memberships 2022 RM'000	2021 RM'000
Cost		
At beginning/end of the financial year/period	**135**	135
Accumulated amortisation and impairment loss		
At beginning/end of the financial year/period	**107**	107
Net carrying amount		
At end of the financial year/period	**28**	28

Goodwill

The recoverable amount of the goodwill as at 31 December 2022 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 impairment charge was recorded in the consolidated statement of profit or loss.

(a) Impairment tests for goodwill

Management has carried out impairment test review for goodwill based on the recoverable amount of each cash-generating unit ("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:

	2022 %	2021 %
CGU		
Malaysia	**7.8**	8.0
PRC	**10.5**	14.0

Goodwill has been allocated to the Group's CGUs identified according to country of operation and business segment as follows:

	Malaysia RM'000	PRC RM'000	Total RM'000
Retailing			
At 31 December 2022	**19,722**	**1,160,465**	**1,180,187**
At 31 December 2021	19,722	1,293,434	1,313,156

14. INTANGIBLE ASSETS (continued)

(b) Key assumptions used in VIU calculations

The calculation of VIU for the CGUs are most sensitive to the following assumptions:

Revenue	:	the bases used to determine the future potential earnings are historical sales and expected growth rates of the relevant industry.
Gross margins	:	gross margins are based on the average gross margin achieved in the past 3 to 5 years.
Operating expenses	:	the bases used to determine the values assigned are the cost of inventories purchased for resale, staff costs, depreciation and amortisation, rental expenses and other operating expenses. The value assigned to the key assumption reflects past experience and management's commitment to maintain the operating expenses to an acceptable level.
Growth rates	:	the forecasted growth rates are based on published industry research and do not exceed the long term average growth rate for the industries relevant to the CGUs.
Discount rates	:	discount rates reflect management's estimate of the risks specific to these entities. In determining appropriate discount rates for each unit, consideration has been given to the applicable weighted average cost of capital for each unit.

(c) 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.

15. INTERESTS IN SUBSIDIARIES

	Company 2022 RM'000	Company 2021 RM'000
Unquoted shares, at cost	#	#
Amount due from a subsidiary (i)	**7,218,859**	7,195,821
Share option granted to employees of subsidiaries	**23,936**	23,936
	7,242,795	7,219,757
Less: Accumulated impairment loss	**(4,571,583)**	(4,571,583)
	2,671,212	2,648,174
Accumulated impairment loss:		
At beginning of the financial year/period	**4,571,583**	4,570,718
Charge for the financial year/period (Note 8(a))	**–**	865
At end of the financial year/period	**4,571,583**	4,571,583

\# Represent RM24 (2021: RM24)

(i) The amount due from a subsidiary is unsecured and non-interest bearing. The Company regards the non-trade amount due from the subsidiary as part of the Company's interests in subsidiaries.

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	% of ownership interest held by the Group * 2021	% of ownership interest held by non-controlling interests * 2022	% of ownership interest held by non-controlling interests * 2021
Held by the Company (Parkson Holdings Berhad)						
East Crest International Limited **	British Virgin Islands	Investment holding	**100**	100	**–**	–
Parkson Vietnam Investment Holdings Co Ltd **	British Virgin Islands	Investment holding	**100**	100	**–**	–
Parkson Properties Holdings Co Ltd **	British Virgin Islands	Investment holding	**100**	100	**–**	–
Prime Yield Holdings Limited **	British Virgin Islands	Investment holding	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	2021	% of ownership interest held by non-controlling interests * 2022	2021
Held by the Company (Parkson Holdings Berhad) (continued)						
Puncak Pelita Sdn Bhd ƒ	Malaysia	Investment holding	**100**	100	**–**	–
Corporate Code Sdn Bhd	Malaysia	Investment holding	**100**	100	**–**	–
Subsidiaries of East Crest International Limited						
PRG Corporation Limited ƒ	British Virgin Islands	Investment holding	**100**	100	**–**	–
Serbadagang Holdings Sdn Bhd ƒ	Malaysia	Ceased operation	**100**	100	**–**	–
Smart Spectrum Limited **	British Virgin Islands	Ceased operation	**100**	100	**–**	–
Parkson Retail Asia Limited ("PRA") ƒ β	Singapore	Investment holding	**68**	68	**32**	32
Parkson Services Pte Ltd ƒ	Singapore	Intellectual property holding	**100**	100	**–**	–
Subsidiary of Parkson Vietnam Investment Holdings Co Ltd						
Parkson TSN Holdings Co Ltd **	British Virgin Islands	Investment holding	**100**	100	**–**	–
Subsidiaries of Parkson Properties Holdings Co Ltd						
Parkson Properties NDT (Emperor) Co Ltd **	British Virgin Islands	Dormant	**100**	100	**–**	–
Parkson Properties Hanoi Co Ltd **	British Virgin Islands	Dormant	**100**	100	**–**	–

15. **INTERESTS IN SUBSIDIARIES** (continued)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	2021	% of ownership interest held by non-controlling interests * 2022	2021
Subsidiaries of Prime Yield Holdings Limited						
Dyna Puncak Sdn Bhd	Malaysia	Investment holding	**100**	100	**–**	–
Gema Binari Sdn Bhd	Malaysia	Investment holding	**100**	100	**–**	–
Parkson Credit Holdings Sdn Bhd (Dissolved on 10.3.2023)	Malaysia	Dormant	**100**	100	**–**	–
Prestasi Serimas Sdn Bhd	Malaysia	Investment holding	**100**	100	**–**	–
Subsidiary of PRG Corporation Limited						
Parkson Retail Group Limited ("PRGL") + @	Cayman Islands	Investment holding	**54.6** *1 **0.4**	54.6 *1 0.4	**45.0**	45.0
Subsidiary of PRGL						
Grand Parkson Retail Group Limited +	British Virgin Islands	Investment holding	**100**	100	**–**	–
Subsidiaries of Grand Parkson Retail Group Limited						
Leonemas International Limited **	British Virgin Islands	Investment holding	**100**	100	**–**	–
Malverest Trading International Limited **	British Virgin Islands	Investment holding	**100**	100	**–**	–
Oroleon International Limited **	British Virgin Islands	Investment holding	**100**	100	**–**	–
Releomont (Hong Kong) Limited +	Hong Kong SAR	Investment holding	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	2021	% of ownership interest held by non-controlling interests * 2022	2021
Subsidiaries of Grand Parkson Retail Group Limited (continued)						
Exonbury Limited +	Hong Kong SAR	Investment holding	**100**	100	**–**	–
Parkson Investment Pte Ltd ƒ	Singapore	Investment holding	**100**	100	**–**	–
Parkson Supplies Pte Ltd ƒ	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	**–**	–
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 ƒ	Malaysia	Dormant	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

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 *	
			2022	**2021**	**2022**	**2021**
Subsidiaries of Grand Parkson Retail Group Limited (continued)						
Huge Return Investment Limited +	Hong Kong SAR	Investment holding	**100**	*2 100	**–**	–
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**	*3 100	**–**	–
Wide Field International Limited +	Hong Kong SAR	Investment holding	**100**	*3 100	**–**	–
Sea Coral Limited +	Hong Kong SAR	Investment holding	**100**	*3 100	**–**	–
Subsidiary of Leonemas International Limited						
Leonemas (Hong Kong) Limited +	Hong Kong SAR	Investment holding	**100**	100	**–**	–
Subsidiary of Leonemas (Hong Kong) Limited						
Qingdao Lion Plaza Retail Management Co Ltd +	People's Republic of China	Property management	**100**	100	**–**	–
Subsidiary of Malverest Trading International Limited						
Malverest (Hong Kong) Limited +	Hong Kong SAR	Investment holding	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

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 *	
			2022	2021	2022	2021
Subsidiary of Malverest (Hong Kong) Limited						
Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Subsidiaries of Parkson Retail Development Co Ltd						
Zhangjiakou Parkson Shopping Mall Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Qingdao Parkson Shopping Plaza Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	**100**	100	**–**	–
Qingdao Parkson Beer City Property Management Co Ltd +	People's Republic of China	Property management	**100**	100	**–**	–
Subsidiary of Oroleon International Limited						
Oroleon (Hong Kong) Limited +	Hong Kong SAR	Investment holding	**100**	100	**–**	–
Subsidiaries of Oroleon (Hong Kong) Limited						
Parkson Retail Laos Holdings Sdn Bhd	Malaysia	Investment holding	**100**	100	**–**	–
Parkson Credit Sdn Bhd	Malaysia	Provision of money lending and credit services	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

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 *	
			2022	**2021**	**2022**	**2021**
Subsidiary of Parkson Retail Laos Holdings Sdn Bhd						
Parkson Lao Sole Co Ltd **	Lao People's Democratic Republic	Wholesale and retail trade	**100**	100	**–**	–
Subsidiary of Releomont (Hong Kong) Limited						
Anshan Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Subsidiaries of Exonbury Limited						
Hong Kong Fen Chai Investment Limited +	Hong Kong SAR	Provision of consultancy services	**100**	100	**–**	–
Shanghai Nine Sea Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Shanghai Lion Parkson Investment Consultant Co Ltd +	People's Republic of China	Provision of consultancy and management services	**100**	100	**–**	–
Parkson Investment Holdings Co Ltd +	People's Republic of China	Investment holding	**70** *4 **30**	70 *4 30	**–**	–
Jinan Lion Consultant Management Co Ltd +	People's Republic of China	Provision of consultancy and management services	**100**	100	**–**	–
Jiaxing Lion Retail Management Co Ltd +	People's Republic of China	Provision of consultancy and management services	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	% of ownership interest held by the Group * 2021	% of ownership interest held by non-controlling interests * 2022	% of ownership interest held by non-controlling interests * 2021
Subsidiary of Hong Kong Fen Chai Investment Limited						
Xi'an Lucky King Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**91** *5 **9**	91 *5 9	**–**	–
Subsidiaries of Xi'an Lucky King Parkson Plaza Co Ltd						
Xi'an Chang'an Parkson Store Co Ltd + (Dissolved on 2.9.2022)	People's Republic of China	Operation of department stores	**–**	51 *6 49	**–**	–
Xi'an Shidai Parkson Store Co Ltd +	People's Republic of China	Operation of department stores	**51** *6 **49**	51 *6 49	**–**	–
Shanxi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	**100**	100	**–**	–
Subsidiaries of Shanghai Lion Parkson Investment Consultant Co Ltd						
Shanghai Shijie Fashions Co Ltd +	People's Republic of China	Sale of apparel	**100**	100	**–**	–
Shanghai Lion Parkson Management Consultant Co Ltd +	People's Republic of China	Provision of consultancy and management services	**100**	100	**–**	–
Subsidiary of Shanghai Lion Parkson Management Consultant Co Ltd						
Shanghai Shihong Supermarket Co Ltd +	People's Republic of China	Operation of gourmet supermarkets	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	% of ownership interest held by the Group * 2021	% of ownership interest held by non-controlling interests * 2022	% of ownership interest held by non-controlling interests * 2021
Subsidiaries of Parkson Investment Holdings Co Ltd						
Shanghai Xinzhuang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Lanzhou Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Zigong Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Shanghai Lion Cosmetics Co Ltd +	People's Republic of China	Wholesale and retail of cosmetics and related products	**100**	100	**–**	–
Shanghai Parkson Food & Beverage Management Co Ltd +	People's Republic of China	Food and beverage management services	**100**	100	**–**	–
Shanghai Jingshi Retail Management Co Ltd +	People's Republic of China	Property management	**100**	100	**–**	–
Subsidiary of Shanghai Xinzhuang Parkson Retail Development Co Ltd						
Hunan Changsha Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	% of ownership interest held by the Group * 2021	% of ownership interest held by non-controlling interests * 2022	% of ownership interest held by non-controlling interests * 2021
Subsidiary of Parkson Investment Pte Ltd						
Rosenblum Investments Pte Ltd *f*	Singapore	Investment holding	**100**	100	**–**	–
Subsidiaries of Parkson Supplies Pte Ltd						
Chongqing Wanyou Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Mianyang Fulin Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**60** *7 **40**	60 *7 40	**–**	–
Sichuan Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores and outlets	**100**	100	**–**	–
Subsidiary of Creation International Investment & Development Limited						
Creation (Hong Kong) Investment & Development Limited +	Hong Kong SAR	Provision of consultancy services	**100**	100	**–**	–
Subsidiaries of Step Summit Limited						
Guizhou Shenqi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**60**	60	**40**	40
Shanghai Hongqiao Parkson Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	2021	% of ownership interest held by non-controlling interests * 2022	2021
Subsidiaries of Step Summit Limited (continued)						
Hefei Parkson Xiaoyao Plaza Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Guizhou Tongren Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Subsidiaries of Shanghai Hongqiao Parkson Development Co Ltd						
Changshu Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Shaoxing Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Changzhou Shifeng Retail Development Co Ltd +	People's Republic of China	Sale of apparel	**100**	100	**–**	–
Changzhou Lion Food & Beverage Co Ltd +	People's Republic of China	Food and beverage management services	**100**	100	**–**	–
Shanghai Delight Food & Beverage Management Co Ltd +	People's Republic of China	Food and beverage operation	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

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 *	
			2022	**2021**	**2022**	**2021**
Subsidiaries of Shanghai Delight Food & Beverage Management Co Ltd						
Shanghai Delight Food Co Ltd + (Note 15(a)(i))	People's Republic of China	Food operation	**–**	100	**–**	–
Kunming Hogan Food & Beverage Management Co Ltd + (Dissolved on 16.2.2023)	People's Republic of China	Food and beverage operation	**100**	100	**–**	–
Subsidiaries of Hefei Parkson Xiaoyao Plaza Co Ltd						
Anshan Tianxing Parkson Shopping Centre Co Ltd +	People's Republic of China	Operation of department stores	**51** *8 **49**	51 *8 49	**–**	–
Qingdao Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Subsidiary of Global Heights Investment Limited						
Asia Victory International Limited **	British Virgin Islands	Domestic and cross-border trading	**100**	100	**–**	–
Subsidiary of Asia Victory International Limited						
Shunhe International Investment Limited +	Hong Kong SAR	Provision of consultancy services	**100**	100	**–**	–
Subsidiary of Shunhe International Investment Limited						
Kunming Yun Shun He Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–

15. **INTERESTS IN SUBSIDIARIES** (continued)

Name	**Country of incorporation/ principal place of business**	**Principal activities**	**% of ownership interest held by the Group * 2022**	**% of ownership interest held by the Group * 2021**	**% of ownership interest held by non-controlling interests * 2022**	**% of ownership interest held by non-controlling interests * 2021**
Subsidiaries of Kunming Yun Shun He Retail Development Co Ltd						
Guizhou Zunyi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**90** *9 **10**	90 *9 10	**–**	–
Liupanshui Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Suzhou Parkson Changfa Commercial Management Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
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** *10 **20** *11 **20**	60 *10 20 *11 20	**–**	–
Parkson Business Commerce Sole Co Ltd **	Lao People's Democratic Republic	Operation of department stores	**100**	100	**–**	–
Subsidiaries of Golden Village Group Limited						
Duo Success Investments Limited **	British Virgin Islands	Investment holding	**100**	100	**–**	–
Jiangxi Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Jiangxi Parkson Shopping Centre Management Co Ltd +	People's Republic of China	Property management	**100**	100	**–**	–

15. **INTERESTS IN SUBSIDIARIES** (continued)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	2021	% of ownership interest held by non-controlling interests * 2022	2021
Subsidiary of Duo Success Investments Limited						
Victor Crest Limited ** (Dissolved on 10.1.2023)	British Virgin Islands	Dormant	**100**	*12 100	**–**	–
Subsidiary of Victor Crest Limited						
Wide Crest Limited ** (Dissolved on 10.1.2023)	British Virgin Islands	Dormant	**100**	100	**–**	–
Subsidiary of Wide Crest Limited						
Bond Glory Limited ** (Dissolved on 10.1.2023)	British Virgin Islands	Dormant	**100**	*12 100	**–**	–
Subsidiary of Jiangxi Parkson Shopping Centre Management Co Ltd						
Yichun Parkson Shopping Centre Co Ltd ^ +	People's Republic of China	Operation of shopping mall	**100**	–	**–**	–
Subsidiary of Lung Shing International Investments & Development Limited						
Anshan Lung Shing Property Services Co Ltd +	People's Republic of China	Property management	**100**	100	**–**	–
Subsidiary of Capital Park Development Limited						
Capital Park (HK) Investment & Development Limited +	Hong Kong SAR	Investment holding	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	2021	% of ownership interest held by non-controlling interests * 2022	2021
Subsidiary of Capital Park (HK) Investment & Development Limited						
Wuxi Sanyang Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**60**	60	**40**	40
Subsidiary of Lion Food & Beverage Ventures Limited						
Parkson Food & Beverage Ventures Limited +	Hong Kong SAR	Investment holding	**100**	100	**–**	–
Subsidiary of Parkson Food & Beverage Ventures Limited						
Shanghai Lion Food and Beverage Management Co Ltd +	People's Republic of China	Food and beverage management services	**100**	100	**–**	–
Subsidiary of Victory Hope Limited						
Nanning Brilliant Parkson Commercial Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	**70** *13 **30**	70 *13 30	**–**	–
Subsidiary of Nanning Brilliant Parkson Commercial Co Ltd						
Wuzhou Fashion Parkson Business Management Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Subsidiary of Great Dignity Development Limited						
Shantou Parkson Commercial Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

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 *	
			2022	**2021**	**2022**	**2021**
Subsidiary of Parkson Venture Pte Ltd						
Qingdao No. 1 Parkson Co Ltd +	People's Republic of China	Operation of department stores	**95.9**	95.9	**4.1**	4.1
Subsidiary of Wide Field International Limited						
Shenyang Parkson Shopping Plaza Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**–**	–
Subsidiary of Sea Coral Limited						
Dalian Parkson Retail Development Co Ltd + (Dissolved on 26.12.2022)	People's Republic of China	Operation of department stores	**–**	100	**–**	–
Subsidiaries of PRA						
Parkson Corporation Sdn Bhd	Malaysia	Operation of department stores and related trading activities including e-commerce activities	**100**	100	**–**	–
Centro Retail Pte Ltd *f*	Singapore	Investment holding	**100**	100	**–**	–
PT Tozy Sentosa (In Bankruptcy) (Note 15(b))	Indonesia	Ceased operation	**90** *14 **10**	90 *14 10	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	2021	% of ownership interest held by non-controlling interests * 2022	2021
Subsidiaries of PRA (continued)						
Parkson Myanmar Co Pte Ltd ƒ	Singapore	Investment holding	**100**	100	**–**	–
Parkson Yangon Company Limited **	Myanmar	Dormant	**95** *15 **5**	95 *15 5	**–**	–
Subsidiaries of Parkson Corporation Sdn Bhd						
Parkson Vietnam Co Ltd ƒ	Vietnam	Operation of department stores	**100**	100	**–**	–
Parkson Haiphong Co Ltd ƒ	Vietnam	Ceased operation	**100**	100	**–**	–
Parkson Cambodia Holdings Co Ltd **	British Virgin Islands	Investment holding	**100**	100	**–**	–
Parkson SGN Co Ltd ƒ	Vietnam	Dormant	**100**	100	**–**	–
Parkson Edutainment World Sdn Bhd	Malaysia	Dormant	**100**	100	**–**	–
Parkson Lifestyle Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	**100**	100	**–**	–
Parkson Unlimited Beauty Sdn Bhd	Malaysia	Ceased operation	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	2021	% of ownership interest held by non-controlling interests * 2022	2021
Subsidiaries of Parkson Corporation Sdn Bhd (continued)						
Parkson Private Label Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	**100**	100	**–**	–
Parkson Trading (Vietnam) Company Limited ƒ	Vietnam	Ceased operation	**100**	100	**–**	–
Solid Gatelink Sdn Bhd	Malaysia	Operation of food and beverage businesses	**100**	100	**–**	–
Parkson Trends Sdn Bhd	Malaysia	Ceased operation	**100**	100	**–**	–
Subsidiary of Parkson Vietnam Co Ltd						
Parkson Vietnam Management Services Co Ltd ƒ	Vietnam	Dormant	**100**	100	**–**	–
Subsidiary of Parkson Cambodia Holdings Co Ltd						
Parkson (Cambodia) Co Ltd **	Cambodia	Dormant	**100**	100	**–**	–
Subsidiary of Parkson Myanmar Co Pte Ltd						
Parkson Myanmar Investment Company Pte Ltd ƒ	Singapore	Investment holding	**70**	70	**30**	30

15. INTERESTS IN SUBSIDIARIES (continued)

Name	**Country of incorporation/ principal place of business**	**Principal activities**	**% of ownership interest held by the Group * 2022**	**% of ownership interest held by the Group * 2021**	**% of ownership interest held by non-controlling interests * 2022**	**% of ownership interest held by non-controlling interests * 2021**
Subsidiaries of Parkson Myanmar Investment Company Pte Ltd						
Parkson Myanmar Asia Pte Ltd ƒ	Singapore	Investment holding	**100**	100	**–**	–
Myanmar Parkson Company Limited **	Myanmar	Dormant	**100**	90 [*16] 10	**–**	–
Subsidiary of Parkson TSN Holdings Co Ltd						
Parkson HBT Properties Co Ltd **	Vietnam	Real estate consulting and management services	**100**	100	**–**	–
Subsidiaries of Dyna Puncak Sdn Bhd						
Idaman Erajuta Sdn Bhd	Malaysia	Investment holding	**100**	100	**–**	–
Magna Rimbun Sdn Bhd	Malaysia	Investment holding	**100**	100	**–**	–
True Excel Investments Limited **	British Virgin Islands	Investment holding	**100**	100	**–**	–
Subsidiary of Idaman Erajuta Sdn Bhd						
Festival City Sdn Bhd	Malaysia	Operation of department stores and property management	**100**	100	**–**	–
Subsidiary of Magna Rimbun Sdn Bhd						
Megan Mastika Sdn Bhd	Malaysia	Property management and investment holding	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	2021	% of ownership interest held by non-controlling interests * 2022	2021
Subsidiary of Megan Mastika Sdn Bhd						
Dimensi Andaman Sdn Bhd ƒ	Malaysia	Investment holding, property development and project management	**100**	100	**–**	–
Subsidiary of True Excel Investments Limited						
True Excel Investments (Cambodia) Co Ltd **	Cambodia	Investment holding	**100**	100	**–**	–
Subsidiary of Gema Binari Sdn Bhd						
Parkson Branding Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	**100**	100	**–**	–
Subsidiaries of Parkson Branding Sdn Bhd						
Parkson Fashion Sdn Bhd ** (Dissolved on 23.2.2022)	Malaysia	Ceased operation	**–**	100	**–**	–
Parkson Branding (L) Limited (Dissolved on 6.7.2022)	Malaysia	Dormant	**–**	100	**–**	–
Subsidiary of Prestasi Serimas Sdn Bhd						
Ombrello Resources Sdn Bhd ƒ	Malaysia	Ceased operation	**100**	100	**–**	–

15. INTERESTS IN SUBSIDIARIES (continued)

All the companies are audited by Grant Thornton Malaysia PLT except for those marked (+) which the company or group companies are audited by a member firm of Grant Thornton International in the respective countries, and those marked (ƒ) which are audited by other firms.

*	Equals to the proportion of voting rights held.
**	The financial statements are examined for the purpose of consolidation.
*1	Held by East Crest International Limited.
*2	Held by Duo Success Investments Limited.
*3	Held by Wide Crest Limited.
*4	Held by Parkson Investment Pte Ltd.
*5	Held by Huge Return Investment Limited.
*6	Held by Parkson Retail Development Co Ltd.
*7	Held by Shanghai Hongqiao Parkson Development Co Ltd.
*8	Held by Creation (Hong Kong) Investment & Development Limited.
*9	Held by Parkson Investment Holdings Co Ltd.
*10	Held by Xi'an Lucky King Parkson Plaza Co Ltd.
*11	Held by Nanning Brilliant Parkson Commercial Co Ltd.
*12	Held by Grand Parkson Retail Group Limited.
*13	Held by Hanmen Holdings Limited.
*14	Held by Centro Retail Pte Ltd.
*15	Held by Parkson Myanmar Co Pte Ltd.
*16	Held by Parkson Myanmar Asia Pte Ltd.
^	Subsidiary which was newly incorporated during the financial year.
β	Listed on the Singapore Exchange Securities Trading Limited. The auditor's report of the subsidiary for the financial year ended 31 December 2022 was issued with an emphasis of matter relating to material uncertainty related to going concern.
@	Listed on The Stock Exchange of Hong Kong Limited.

15. INTERESTS IN SUBSIDIARIES (continued)

(a) Disposal of equity interest in subsidiaries

(i) On 28 March 2022, Shanghai Delight Food & Beverage Management Co Ltd ("Shanghai Delight F&B"), an indirect wholly-owned subsidiary of PRGL which is in turn a 54.97% owned subsidiary of the Company, completed the disposal of its entire equity interest in Shanghai Delight Food Co Ltd ("Shanghai Delight Food") for a consideration of Rmb2,400,000 (equivalent to approximately RM1,591,000) ("Disposal of Shanghai Delight Food").

Following the completion of the Disposal of Shanghai Delight Food, Shanghai Delight Food ceased to be a subsidiary of Shanghai Delight F&B and of the Company.

The disposal had the following effects on the Group's financial results and position for the financial year ended 31 December 2022:

	Group 2022 RM'000
Property, plant and equipment	**903**
Right-of-use assets	**5,075**
Deferred tax assets	**267**
Receivables	**600**
Cash and cash equivalents	**22**
Lease liabilities	**(6,145)**
Net assets disposed	**722**
Disposal consideration	**1,591**
Net assets disposed	**(722)**
Gain on disposal of a subsidiary	**869**
Disposal consideration	**1,591**
Cash and cash equivalents of subsidiary disposed	**(22)**
Consideration received in the previous financial period ended 31 December 2021	**(1,485)**
Net cash inflow of the Group	**84**

15. INTERESTS IN SUBSIDIARIES (continued)

(a) Disposal of equity interest in subsidiaries (continued)

(ii) In the previous financial period ended 31 December 2021, Parkson Investment Holdings Co Ltd ("Parkson Investment Holdings"), an indirect wholly-owned subsidiary of PRGL, completed the disposal of its entire equity interest in Shanghai Shengrui Commercial Management Co Ltd ("Shanghai Shengrui") for a consideration of approximately Rmb0.26 million (equivalent to approximately RM170,000) ("Disposal of Shanghai Shengrui").

Following the completion of the Disposal of Shanghai Shengrui, Shanghai Shengrui ceased to be a subsidiary of Parkson Investment Holdings and of the Company.

The disposal had the following effects on the Group's financial results and position for the financial period ended 31 December 2021:

	Group 2021 RM'000
Receivables	216,542
Cash and cash equivalents	131
Payables	(216,700)
Net liabilities disposed	(27)
Cash consideration	170
Net liabilities disposed	27
Gain on disposal of a subsidiary	197
Cash consideration	170
Cash and cash equivalents of subsidiary disposed	(131)
Net cash inflow of the Group	39

15. INTERESTS IN SUBSIDIARIES (continued)

(b) Deconsolidation of a subsidiary

As PT Tozy Sentosa ("PT Tozy"), a wholly-owned subsidiary of PRA which is in turn a 67.96% owned subsidiary of the Company, had been placed under the bankruptcy proceedings and the receivers had been appointed on 17 May 2021, the Group had ceased to have control over PT Tozy, and accordingly, had ceased to consolidate PT Tozy in its consolidated financial statements.

The deconsolidation of PT Tozy had the following effects on the Group's financial results and position for the financial period ended 31 December 2021:

	Group 2021 RM'000
Property, plant and equipment	42,698
Inventories	312
Receivables	4,988
Cash and cash equivalents	1,903
Payables	(51,416)
Lease liabilities	(40,638)
Net liabilities deconsolidated, representing effect on deconsolidation of a subsidiary	(42,153)
Cash and cash equivalents of the subsidiary, representing net cash outflow on deconsolidation of a subsidiary	(1,903)

15. INTERESTS IN SUBSIDIARIES (continued)

(c) Material non-controlling interests

Financial information of subsidiaries which have non-controlling interests that are material to the Group is set out below.

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2022 %	2021 %
PRA	Singapore	**32.0**	32.0
PRGL	Cayman Islands	**45.0**	45.0

PRA and PRGL are investment holding companies that have subsidiaries that are in the retailing business in Southeast Asia and the PRC respectively.

	Group	
	2022 RM'000	**2021 RM'000**
Accumulated net assets/(liabilities) balances of non-controlling interests:		
PRA	**(18,091)**	(48,437)
PRGL	**987,063**	1,201,508
Total	**968,972**	1,153,071

	Group	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**
Profit/(loss) allocated to non-controlling interests:		
PRA	**29,340**	14,287
PRGL	**(120,338)**	(42,418)
Total	**(90,998)**	(28,131)

15. INTERESTS IN SUBSIDIARIES (continued)

(c) Material non-controlling interests (continued)

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	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(i) Summarised statements of financial position				
Non-current assets	**690,971**	752,374	**5,461,215**	6,212,379
Current assets	**472,346**	327,193	**1,904,264**	1,886,487
Non-current liabilities	**(552,293)**	(586,778)	**(3,375,160)**	(2,378,695)
Current liabilities	**(666,788)**	(643,431)	**(1,780,350)**	(3,030,054)
Non-controlling interests	**331**	302	**(43,555)**	(47,662)
Total equity	**(55,433)**	(150,340)	**2,166,414**	2,642,455
Attributable to non-controlling interests	**(18,091)**	(48,437)	**987,063**	1,201,508
(ii) Summarised statements of profit or loss				
Revenue	**745,112**	762,647	**2,152,987**	4,061,079
Profit/(loss) for the financial year/period	**91,665**	43,390	**(273,527)**	(112,154)
Attributable to non-controlling interests	**29,340**	14,287	**(120,338)**	(42,418)
Dividends paid to non-controlling interests	**–**	–	**(1,357)**	(15,934)

15. INTERESTS IN SUBSIDIARIES (continued)

(c) Material non-controlling interests (continued)

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. (continued)

	PRA		PRGL	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
(iii) Summarised statements of other comprehensive income				
Other comprehensive income/(loss) attributable to non-controlling interests:				
- Change in fair value of financial assets	**12**	95	**–**	–
- Foreign currency translation	**992**	2,303	**(92,748)**	164,067
(iv) Summarised statements of cash flows				
Operating activities	**326,334**	440,228	**85,295**	780,193
Investing activities	**10,739**	(1,363)	**494,446**	277,189
Financing activities	**(204,803)**	(261,694)	**(235,077)**	(1,456,404)
Net increase/(decrease) in cash and cash equivalents	**132,270**	177,171	**344,664**	(399,022)

16. INVESTMENTS IN ASSOCIATES

	Group 2022 RM'000	Group 2021 RM'000
Unquoted shares in Malaysia, at cost	**15,926**	15,926
Unquoted shares outside Malaysia, at cost	**24,056**	24,056
Share of post-acquisition reserves	**(1,565)**	3,457
Less: Accumulated impairment loss	**(10,987)**	(10,987)
	27,430	32,452
Exchange differences	**(130)**	989
	27,300	33,441
Accumulated impairment loss:		
At beginning/end of the financial year/period	**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 * 2022	2021
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
AUM Hospitality Sdn Bhd (Under court liquidation)	Malaysia	Investment holding and provision of management services	**20**	20

* Equals to the proportion of voting rights held.

\# Audited by a member firm of Grant Thornton International.

& Audited by a firm other than Grant Thornton Malaysia PLT.

All the investments in associates are accounted for using the equity method.

Impairment loss on an associate is recognised to reduce the carrying value of the investment to the estimated recoverable amount.

16. INVESTMENTS IN ASSOCIATES (continued)

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
2022			
(i) Summarised statements of financial position			
Non-current assets	**166,737**	**30**	**166,767**
Current assets	**138,330**	**8,747**	**147,077**
Total assets	**305,067**	**8,777**	**313,844**
Non-current liabilities	**147,033**	**–**	**147,033**
Current liabilities	**105,419**	**4,439**	**109,858**
Total liabilities	**252,452**	**4,439**	**256,891**
Net assets	**52,615**	**4,338**	**56,953**
(ii) Summarised statements of profit or loss			
Revenue	**427,722**	**18,580**	**446,302**
(Loss)/profit for the financial year	**(2,178)**	**188**	**(1,990)**
(iii) Dividend received from associates	**(3,936)**	**(85)**	**(4,021)**
(iv) Group's share of net assets, representing carrying amount of Group's interest in associates	**25,782**	**1,518**	**27,300**
(v) Group's share of results of associates	**(1,067)**	**66**	**(1,001)**

16. INVESTMENTS IN ASSOCIATES (continued)

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. (continued)

	Parkson Newcore RM'000	Shanghai Nine Sea RM'000	Total material associates RM'000
2021			
(i) Summarised statements of financial position			
Non-current assets	212,528	42	212,570
Current assets	160,922	9,314	170,236
Total assets	373,450	9,356	382,806
Non-current liabilities	212,646	–	212,646
Current liabilities	95,813	4,799	100,612
Total liabilities	308,459	4,799	313,258
Net assets	64,991	4,557	69,548
(ii) Summarised statements of profit or loss			
Revenue	821,616	29,437	851,053
Profit for the financial period	14,348	550	14,898
(iii) Dividend received from an associate	–	(219)	(219)
(iv) Group's share of net assets, representing carrying amount of Group's interest in associates	31,846	1,595	33,441
(v) Group's share of results of associates	7,030	193	7,223

16. INVESTMENTS IN ASSOCIATES (continued)

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

	Group	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**
Loss for the financial year/period	**(2,027)**	(1,524)
Group's share of current year/period's unrecognised loss	**(811)**	(607)
Group's cumulative share of unrecognised loss	**(5,054)**	(4,243)

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

17. INVESTMENTS IN JOINT VENTURES

	Group	
	2022 RM'000	**2021 RM'000**
Unquoted shares in Malaysia, at cost	**3,000**	19,300
Unquoted shares outside Malaysia, at cost	**4,675**	4,675
Share of post-acquisition reserves	**(1,574)**	(10,759)
Less: Accumulated impairment loss	**(1,750)**	(7,741)
	4,351	5,475
Exchange differences	**3,846**	4,142
	8,197	9,617
Accumulated impairment loss:		
At beginning of the financial year/period	**7,741**	7,741
Reclassification to non-current assets classified as held for sale	**(5,991)**	–
At end of the financial year/period	**1,750**	7,741

17. INVESTMENTS IN JOINT VENTURES (continued)

Details of joint ventures are as follows:

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2022	2021
Xinjiang Youhao Parkson Development Co Ltd ("Xinjiang Youhao") ^	People's Republic of China	Operation of department stores	**51**	51
Marlow House Asia Limited &	British Virgin Islands	Investment holding	**50**	50
Valino International Apparel Sdn Bhd (In liquidation)	Malaysia	Ceased operation	**50**	50
Watatime group of companies (i) & :				
Watatime Marketing Sdn Bhd	Malaysia	Wholesaling of watches	**50**	50
J. Bovier Time (M) Sdn Bhd	Malaysia	Retailing of watches	**50**	50
Watatime (Subang) Sdn Bhd	Malaysia	Retailing of watches	**50**	50
Watatime (M) Sdn Bhd	Malaysia	Retailing of watches	**50**	50
Watatime Group Sdn Bhd	Malaysia	Dormant	**50**	50
The Timepiece Repair Specialist Sdn Bhd	Malaysia	Retailing of watches	**50**	50
Wata Time (S) Pte Ltd	Singapore	Dormant	**50**	50

* The Group has voting rights of all its joint ventures under the contractual arrangements, unanimous consent is required from all parties to the agreements for all relevant activities.

^ Although the Group has ownership indirectly through subsidiary of more than half of the voting power of the subject entity, the joint venture agreement established joint control over the subject entity. The joint venture agreement ensures that no single venturer is in a position to control the activities of the entity unilaterally. The entity forms part of the PRGL group of companies, which is audited by a member firm of Grant Thornton International.

& Audited by a firm other than Grant Thornton Malaysia PLT.

(i) On 21 July 2022, Corporate Code Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement to dispose of its entire equity interests in the Watatime group of companies for a total consideration of approximately RM9 ("Watatime Disposal"). The completion of the Watatime Disposal shall be subject to and conditional upon the conditions precedent being fulfilled.

The Group's investments in the Watatime group of companies were reclassified as non-current assets classified as held for sale as at 31 December 2022 as disclosed in Note 34(iii).

17. INVESTMENTS IN JOINT VENTURES (continued)

All the investments in joint ventures are accounted for using the equity method.

Impairment loss on a joint venture is recognised to reduce the carrying value of the investment to the estimated recoverable amount.

All the joint ventures have the same reporting period as the Group except for Watatime group of companies which is 30 June. For the purpose of applying the equity method of accounting for joint ventures, the last audited financial statements available and the management financial statements as at end of the accounting period of the joint ventures were used.

There are no material contingent liability and capital commitment relating to joint ventures as at 31 December 2022 and 31 December 2021.

Summarised financial information of the Group's material joint ventures and Group's share of results of joint ventures, are set out below. The summarised financial information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts.

	Xinjiang Youhao RM'000	Total material joint venture RM'000
2022		
(i) Summarised statements of financial position		
Non-current assets	**3,133**	**3,133**
Current assets	**34,631**	**34,631**
Total assets	**37,764**	**37,764**
Non-current liabilities	**1,024**	**1,024**
Current liabilities	**20,667**	**20,667**
Total liabilities	**21,691**	**21,691**
Net assets	**16,073**	**16,073**
(ii) Summarised statements of profit or loss		
Revenue	**367**	**367**
Loss for the financial year	**(2,204)**	**(2,204)**
(iii) Group's share of net assets, representing carrying amount of Group's interest in joint venture	**8,197**	**8,197**
(iv) Group's share of results of joint venture	**(1,124)**	**(1,124)**

17. INVESTMENTS IN JOINT VENTURES (continued)

Summarised financial information of the Group's material joint ventures and Group's share of results of joint ventures, are set out below. The summarised financial information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts. (continued)

		Watatime group of companies RM'000	Xinjiang Youhao RM'000	Total material joint ventures RM'000
2021				
(i)	Summarised statements of financial position			
	Non-current assets	6,423	5,268	11,691
	Current assets	45,648	85,002	130,650
	Total assets	52,071	90,270	142,341
	Non-current liabilities	–	1,101	1,101
	Current liabilities	51,050	70,312	121,362
	Total liabilities	51,050	71,413	122,463
	Net assets	1,021	18,857	19,878
(ii)	Summarised statements of profit or loss			
	Revenue	58,519	115,115	173,634
	Loss for the financial period	(337)	(4,245)	(4,582)
(iii)	Dividend received from a joint venture	–	(7,399)	(7,399)
(iv)	Group's share of net assets	511	9,617	10,128
	Cumulative share of unrecognised loss	1,497	–	1,497
	Cumulative impairment loss	(2,008)	–	(2,008)
	Carrying amount of Group's interest in joint ventures	–	9,617	9,617
(v)	Group's share of results of joint ventures	–	(2,165)	(2,165)

17. INVESTMENTS IN JOINT VENTURES (continued)

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

	Group	
	1.1.2022 to 31.12.2022 RM'000	1.7.2020 to 31.12.2021 RM'000
Loss for the financial year/period	**(9)**	(1,685)

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

18. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2022 RM'000	2021 RM'000
At beginning of the financial year/period	**63,646**	7,424
Recognised in profit or loss (Note 9)	**34,285**	56,540
Disposal of a subsidiary	**(267)**	–
Exchange differences	**(3,299)**	(318)
At end of the financial year/period	**94,365**	63,646
Presented after appropriate offsetting as follows:		
Deferred tax assets	**220,514**	200,170
Deferred tax liabilities	**(126,149)**	(136,524)
	94,365	63,646

18. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

The components and movements of deferred tax assets and liabilities during the financial year/period 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 2022	**305**	**40,535**	**155,533**	**3,797**	**200,170**
Recognised in profit or loss	**(152)**	**16,097**	**13,067**	**(252)**	**28,760**
Disposal of a subsidiary	**–**	**–**	**(267)**	**–**	**(267)**
Exchange differences	**(6)**	**(1,889)**	**(6,130)**	**(124)**	**(8,149)**
At 31 December 2022	**147**	**54,743**	**162,203**	**3,421**	**220,514**
At 1 July 2020	1,367	28,913	123,484	3,842	157,606
Recognised in profit or loss	(1,135)	8,979	22,325	(346)	29,823
Exchange differences	73	2,643	9,724	301	12,741
At 31 December 2021	305	40,535	155,533	3,797	200,170

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Asset revaluation RM'000	Withholding taxes RM'000	Total RM'000
At 1 January 2022	**(2,957)**	**(125,661)**	**(7,906)**	**(136,524)**
Recognised in profit or loss	**1,628**	**3,336**	**561**	**5,525**
Exchange differences	**51**	**4,999**	**(200)**	**4,850**
At 31 December 2022	**(1,278)**	**(117,326)**	**(7,545)**	**(126,149)**
At 1 July 2020	(5,610)	(118,964)	(25,608)	(150,182)
Recognised in profit or loss	2,936	4,640	19,141	26,717
Exchange differences	(283)	(11,337)	(1,439)	(13,059)
At 31 December 2021	(2,957)	(125,661)	(7,906)	(136,524)

18. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

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

	Group	
	2022	2021
	RM'000	**RM'000**
Unused tax losses	**1,236,376**	1,208,475
Unabsorbed capital allowances	**30,538**	29,136
Other temporary differences	**34,289**	65,492
	1,301,203	1,303,103
Deferred tax at respective jurisdiction's applicable tax rate, if recognised	**316,004**	315,351

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.

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.

As announced in the Annual Budget 2022, 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	
	2022	**2021**
	RM'000	**RM'000**
Non-current		
Amounts due from subsidiaries	**32,562**	50,686
Less: Allowance for expected credit loss ("ECL")	**(32,544)**	(50,671)
	18	15
Current		
Amounts due from subsidiaries	**5,227**	5,220
Less: Allowance for ECL	**(1,538)**	(1,536)
	3,689	3,684
Total amounts due from subsidiaries	**3,707**	3,699
Movement in allowance for ECL:		
At beginning of the financial year/period	**52,207**	24,878
Charge for the financial year/period	**97**	27,329
Reversal during the financial year	**(18,127)**	–
Written off during the financial year	**(95)**	–
At end of the financial year/period	**34,082**	52,207

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. An amount of RM32,240,000 (2021: RM50,367,000) bears interest at 3% per annum (2021: 3% per annum). The current portion of the amounts due from subsidiaries is unsecured, non-interest bearing and repayable on demand.

20. TRADE AND OTHER RECEIVABLES

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current				
Trade receivables (i)				
Third parties	**161,158**	109,997	**–**	–
Less: Allowance for ECL	**(3,370)**	(2,801)	**–**	–
Trade receivables, net	**157,788**	107,196	**–**	–
Current				
Trade receivables (i)				
Third parties	**162,255**	155,308	**–**	–
Less: Allowance for ECL	**(3,930)**	(5,196)	**–**	–
Trade receivables, net	**158,325**	150,112	**–**	–
Other receivables				
Sundry receivables (ii)	**162,942**	175,832	**2**	2
Less: Allowance for ECL	**(33,025)**	(31,234)	**–**	–
	129,917	144,598	**2**	2
Prepayments	**41,879**	53,800	**–**	–
Less: Allowance for ECL	**(12,449)**	(12,892)	**–**	–
	29,430	40,908	**–**	–
Deposits (iii)	**119,903**	119,781	**12**	12
Less: Allowance for ECL	**(52,635)**	(50,779)	**–**	–
	67,268	69,002	**12**	12
Amounts due from associates and joint ventures (iv)	**27,567**	36,125	**–**	6
Less: Allowance for ECL	**(27,567)**	(36,119)	**–**	–
	–	6	**–**	6
Amounts due from related parties (v)	**446**	446	**113**	113
Lease prepayments	**28,360**	43,234	**–**	–
Lease receivables from subleases (Note 21)	**66,339**	46,909	**–**	–
Other receivables, net	**321,760**	345,103	**127**	133
Total current trade and other receivables	**480,085**	495,215	**127**	133

20. TRADE AND OTHER RECEIVABLES (continued)

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Trade and other receivables (as above)				
- non-current	**157,788**	107,196	**–**	–
- current	**480,085**	495,215	**127**	133
Total trade and other receivables	**637,873**	602,411	**127**	133
Add: Deposits, cash and bank balances (Note 23)	**1,306,069**	1,309,279	**3,461**	3,422
Add: Lease deposits and other deposits	**155,701**	147,417	**–**	–
Add: Long term lease receivables from subleases (Note 21)	**217,330**	257,602	**–**	–
Add: Amounts due from subsidiaries (Note 19)	**–**	–	**3,707**	3,699
Less: Prepayments	**(29,430)**	(40,908)	**–**	–
Less: Lease prepayments	**(28,360)**	(43,234)	**–**	–
Total financial assets carried at amortised cost	**2,259,183**	2,232,567	**7,295**	7,254

(i) Trade receivables

Included in trade receivables are loan receivables from credit services segment of RM256,312,000 (2021: RM188,178,000).

(ii) Sundry receivables

Sundry receivables comprise the following:

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Advances to suppliers	**12,110**	34,202	**–**	–
Operating lease receivables	**59,482**	39,823	**–**	–
Accrued interest on deposits	**1,110**	7,112	**–**	–
Others	**90,240**	94,695	**2**	2
	162,942	175,832	**2**	2

Sundry receivables are non-interest bearing with average credit terms ranging from 1 to 90 days (2021: 1 to 90 days).

20. TRADE AND OTHER RECEIVABLES (continued)

(iii) Deposits

Included in deposits are amounts of RM31,990,000 (2021: RM31,257,000) paid by Parkson Vietnam Co Ltd to the individual owners of two Vietnamese companies as well as to one of these Vietnamese companies for the purpose of acquiring the share capital of these two Vietnamese companies. These deposits are non-interest bearing and are secured by collateral over the charter capital of the respective companies and assets created with such amounts provided. These deposits have been fully impaired in the previous financial years.

(iv) Amounts due from associates and joint ventures

Included in amounts due from associates and joint ventures are:

(a) an amount due from an associate, Parkson Hanoi Co Ltd of RM19,267,000 (2021: RM18,026,000) which is unsecured, non-interest bearing and repayable upon demand.

(b) loans and related interest receivables due from a joint venture, Watatime (M) Sdn Bhd of RM3,000,000 (2021: RM12,793,000) which certain principal amounts bear interest of 7% per annum.

(v) Amounts due from related parties

The amounts due from related parties are unsecured, interest free and repayable upon demand.

The relationship of the related parties with the Group and the Company are further disclosed in Note 35.

Trade receivables

Trade receivables consist of mainly financing receivables relating to the Group's provision of financing facilities based on Islamic principles. Other trade receivables have credit terms ranging from payment in advance to 30 days (2021: payment in advance to 30 days).

Other information on financial risks of trade and other receivables are disclosed in Note 39.

Ageing analysis of trade receivables

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

	Group	
	2022	**2021**
	RM'000	**RM'000**
Within 1 year	**158,325**	150,112
1 to 2 years	**81,042**	64,578
Over 2 years	**76,746**	42,618
	316,113	257,308

20. TRADE AND OTHER RECEIVABLES (continued)

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/period.

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 2022 and 31 December 2021:

	← Credit services		→	Others	
	12-month ECLs	← Lifetime ECLs	→	Simplified	
	Stage 1	Stage 2	Stage 3	approach	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2020	382	1,316	3,489	5,165	10,352
Charge for the financial period	–	–	6,520	481	7,001
Written off	–	–	(6,347)	(3,642)	(9,989)
Exchange differences	–	–	638	(5)	633
At 31 December 2021 and 1 January 2022	**382**	**1,316**	**4,300**	**1,999**	**7,997**
Charge for the financial year	**–**	**–**	**4,835**	**230**	**5,065**
Reversal of impairment loss	**(187)**	**(73)**	**–**	**(118)**	**(378)**
Written off	**–**	**–**	**(4,751)**	**(315)**	**(5,066)**
Exchange differences	**(7)**	**(43)**	**(297)**	**29**	**(318)**
At 31 December 2022	**188**	**1,200**	**4,087**	**1,825**	**7,300**

20. TRADE AND OTHER RECEIVABLES (continued)

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	
	2022	**2021**
	RM'000	**RM'000**
Sundry receivables - nominal amounts	**33,025**	31,234
Less: Allowance for ECL	**(33,025)**	(31,234)
	–	–
Prepayments - nominal amounts	**12,449**	12,892
Less: Allowance for ECL	**(12,449)**	(12,892)
	–	–
Deposits - nominal amounts	**52,635**	50,779
Less: Allowance for ECL	**(52,635)**	(50,779)
	–	–
Amounts due from associates and joint ventures - nominal amounts	**27,567**	36,119
Less: Allowance for ECL	**(27,567)**	(36,119)
	–	–

20. TRADE AND OTHER RECEIVABLES (continued)

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	Total RM'000
At 1 January 2022	**7,997**	**31,234**	**12,892**	**50,779**	**36,119**	**139,021**
Charge for the financial year:						
Trade and sundry receivables	**5,065**	**1,328**	**–**	**–**	**–**	**6,393**
	5,065	**1,328**	**–**	**–**	**–**	**6,393**
Reversal of impairment loss	**(378)**	**(466)**	**–**	**–**	**(2,000)**	**(2,844)**
Written off	**(5,066)**	**–**	**–**	**–**	**(7,793)**	**(12,859)**
Exchange differences	**(318)**	**929**	**(443)**	**1,856**	**1,241**	**3,265**
At 31 December 2022	**7,300**	**33,025**	**12,449**	**52,635**	**27,567**	**132,976**
At 1 July 2020	10,352	33,166	14,601	44,591	27,060	129,770
Charge for the financial period:						
Trade and sundry receivables, prepayments and deposits	7,001	1,819	8,014	8,334	–	25,168
Amount due from a joint venture	–	–	–	–	10,000	10,000
	7,001	1,819	8,014	8,334	10,000	35,168
Reversal of impairment loss	–	(6)	–	(114)	(150)	(270)
Written off	(9,989)	(3,836)	(10,431)	–	(600)	(24,856)
Deconsolidation of a subsidiary	–	(1,385)	–	–	–	(1,385)
Exchange differences	633	1,476	708	(2,032)	(191)	594
At 31 December 2021	7,997	31,234	12,892	50,779	36,119	139,021

21. OTHER RECEIVABLES

	Group 2022 RM'000	Group 2021 RM'000
Non-current		
Lease and other prepayments (i)	**35,090**	46,522
Lease deposits	**90,279**	85,373
Lease receivables from subleases (ii)	**217,330**	257,602
Other deposit (iii)	**65,422**	62,044
	408,121	451,541
Less: Allowance for ECL	**(14,323)**	(7,564)
	393,798	443,977

Movement in allowance for ECL:

	Group 2022 RM'000	Group 2021 RM'000
At beginning of the financial year/period	**7,564**	7,647
Charge for the financial year	**6,599**	–
Exchange differences	**160**	(83)
At end of the financial year/period	**14,323**	7,564

(i) This represents mainly the long term portion of the prepaid lease rental paid to lessors.

(ii) This represents lease income receivables by the Group as intermediate lessor. The carrying amount and the movement of lease receivables from subleases are as follows:

	Group 2022 RM'000	Group 2021 RM'000
At beginning of the financial year/period	**304,511**	259,974
Addition arising from new leases	**26,563**	68,587
Accretion of interest recognised during the financial year/period	**25,474**	39,743
Decrease arising from lease term modification	**(4,884)**	(6,122)
Proceeds from subleases	**(63,788)**	(73,699)
Exchange differences	**(4,207)**	16,028
At end of the financial year/period	**283,669**	304,511
Disclosed as:		
Current (Note 20)	**66,339**	46,909
Non-current	**217,330**	257,602
	283,669	304,511

(iii) Other deposit represents an amount of US$14,884,000 paid for the proposed lease and acquisition of a retail mall in Cambodia.

22. INVESTMENT SECURITIES

	Group 2022 RM'000	Group 2021 RM'000
Non-current		
Financial assets at fair value through other comprehensive income:		
- Unquoted equity securities [(i)]	**17,504**	17,331
Current		
Financial assets at fair value through profit or loss:		
- Wealth management products [(ii)]	**68,477**	59,345
Total investment securities	**85,981**	76,676

(i) This amount included investments in Lion Insurance Company Limited and Lion Group Management Services Sdn Bhd, related parties of the Group.

(ii) The wealth management products are managed by licensed financial institutions in the PRC to invest principally in certain financial assets including bonds, trusts, cash funds, bond funds or unlisted equity investment issued and are circulated in the PRC in accordance with the related entrusted agreements. The wealth management products are measured at fair value, which are disclosed in Note 38(a).

23. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Non-current				
Time deposits, representing total non-current deposits, cash and bank balances	**15,869**	20,404	**–**	–
Current				
Deposits, cash and bank balances:				
Cash on hand and at banks				
- Malaysia	**22,129**	11,568	**1,371**	1,236
- Foreign	**747,111**	545,754	**90**	186
Deposits with:				
Licensed banks				
- Malaysia	**127,982**	76,520	**2,000**	2,000
- Foreign	**212,978**	550,033	**–**	–
Licensed finance companies in Malaysia	**180,000**	105,000	**–**	–
Total current deposits, cash and bank balances	**1,290,200**	1,288,875	**3,461**	3,422
Deposits, cash and bank balances (as above)				
- non-current	**15,869**	20,404	**–**	–
- current	**1,290,200**	1,288,875	**3,461**	3,422
Total deposits, cash and bank balances	**1,306,069**	1,309,279	**3,461**	3,422
Less:				
Investments in principal guaranteed deposits	**–**	(327)	**–**	–
Time deposits with original maturity of more than three months when acquired	**(1,652)**	(137)	**–**	–
Pledged deposits	**(51,255)**	(500,069)	**–**	–
Bank overdrafts (Note 27)	**(1,445)**	(1,601)	**–**	–
Restricted bank balance	**(449)**	–	**–**	–
Cash and cash equivalents	**1,251,268**	807,145	**3,461**	3,422

As at 31 December 2022, deposits with licensed banks and time deposits of the Group amounting to a total of RM31,046,000 (2021: RM479,665,000) 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 RM20,209,000 (2021: RM20,404,000) held in designated bank accounts for performance guarantees. Restricted bank balance of RM449,000 is excluded from cash and cash equivalents, representing the bank account being frozen arose from a legal suit against a subsidiary in Vietnam.

23. DEPOSITS, CASH AND BANK BALANCES (continued)

The investments in principal guaranteed deposits as at 31 December 2021 had terms of less than one year and had an expected average annual rate of return of 2.4%. Pursuant to the underlying contracts or notices, the investments in principal guaranteed deposits were capital guaranteed upon the maturity date.

The deposits, cash and bank balances of the subsidiaries in the PRC which amounted to RM911,058,000 (2021: RM1,058,806,000) at the reporting date were denominated in Rmb which is not freely convertible in the international market. The remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

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

	Group	
	2022	**2021**
	%	**%**
Licensed banks	**2.7**	2.5
Licensed finance companies	**3.3**	2.0

Deposits of the Group have varying periods of between 1 day and 36 months (2021: 1 day and 36 months). Bank balances are deposits held at call with licensed banks.

24. INVENTORIES

	Group	
	2022	**2021**
	RM'000	**RM'000**
At costs:		
Merchandise inventories	**378,551**	375,239
Consumables	**2,399**	2,802
	380,950	378,041
At net realisable value:		
Merchandise inventories	**5,881**	5,831
Total	**386,831**	383,872

During the financial year/period, the amount of inventories recognised as an expense in cost of sales of the Group was RM1,442,522,000 (2021: RM2,514,176,000) for continuing operations and Nil (2021: RM1,068,000) for discontinued operations.

The amount of inventories written down of RM656,000 (2021:RM2,086,000) was recognised in profit or loss during the financial year/period.

25. SHARE CAPITAL AND TREASURY SHARES

	Number of ordinary shares		← Amount →	
	Total number of issued shares ‘000	**Treasury shares ‘000**	**Issued share capital RM’000 (a)**	**Treasury shares RM’000 (b)**
Group/Company				
At 1 January 2022	**1,118,902**	**–**	**2,155,630**	**–**
Issue of share capital	**30,000**	**–**	**4,950**	**–**
At 31 December 2022	**1,148,902**	**–**	**2,160,580**	**–**
At 1 July 2020	1,093,902	(26,722)	4,151,005	(20,903)
Resale of treasury shares	–	26,722	–	20,903
Issue of share capital	25,000	–	4,625	–
Share capital reduction	–	–	(2,000,000)	–
At 31 December 2021	1,118,902	–	2,155,630	–

(a) In the previous financial period ended 31 December 2021, the issued share capital of the Company decreased from RM4,151,004,753 to RM2,155,629,753 resulting from the following:

- issuance and allotment of 25,000,000 new ordinary shares in the Company at RM0.185 per share for cash on 16 December 2021, which had increased the issued share capital of the Company by RM4,625,000 pursuant to the first tranche of the private placement of the Company; and

- reduction of RM2.0 billion of the issued share capital of the Company by the cancellation of the issued share capital which was lost or unrepresented by available assets pursuant to Section 116 of the Companies Act 2016 effective 27 December 2021.

The Company had on 2 March 2022, pursuant to the second tranche of the private placement, issued and allotted 30,000,000 new ordinary shares in the Company at RM0.165 per share for cash resulting in an increase in the issued share capital of the Company by RM4,950,000 from RM2,155,629,753 to RM2,160,579,753.

As at the date of this report, the total number of issued shares of the Company are 1,148,902,050 ordinary shares.

The new ordinary shares issued during the financial year ranked *pari passu* in all respects with the then existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company’s residual assets.

(b) This amount represented the acquisition cost of treasury shares. The Company did not repurchase its own shares and none of the treasury shares then held by the Company were cancelled during the financial year ended 31 December 2022 and in the previous financial period ended 31 December 2021.

In the previous financial period ended 31 December 2021, the Company had resold its entire 26,721,880 treasury shares for a total consideration of RM5,984,000 (after deducting transaction costs) in the open market at an average price of approximately RM0.22 per share. As at 31 December 2022 and 31 December 2021, the Company did not hold any treasury shares.

26. OTHER RESERVES

Group	Exchange fluctuation reserves RM'000	Asset revaluation reserve RM'000 (a)	Capital reserves RM'000 (b)	Merger deficit RM'000 (c)	Premium on acquisition of non-controlling interests RM'000	Fair value reserve of financial assets at FVOCI RM'000	Total RM'000
At 1 January 2022	**459,949**	**90,484**	**114,213**	**(2,071,102)**	**(3,843)**	**1,177**	**(1,409,122)**
Other comprehensive income/(loss) for the financial year							
Foreign currency translation	**(181,270)**	**(5,656)**	**(6,593)**	**–**	**–**	**37**	**(193,482)**
Change in fair value of financial assets at fair value through other comprehensive income ("FVOCI")	**–**	**–**	**–**	**–**	**–**	**175**	**175**
Less: Non-controlling interests	**86,240**	**2,547**	**2,969**	**–**	**–**	**(12)**	**91,744**
	(95,030)	**(3,109)**	**(3,624)**	**–**	**–**	**200**	**(101,563)**
Transactions with owners							
Transfer from capital reserves, representing total transactions with owners	**–**	**–**	**(1,629)**	**–**	**–**	**–**	**(1,629)**
At 31 December 2022	**364,919**	**87,375**	**108,960**	**(2,071,102)**	**(3,843)**	**1,377**	**(1,512,314)**
At 1 July 2020	276,538	83,698	103,386	(2,071,102)	(3,843)	637	(1,610,686)
Other comprehensive income/(loss) for the financial period							
Foreign currency translation	337,761	12,344	14,352	–	–	–	364,457
Change in fair value of financial assets at FVOCI	–	–	–	–	–	635	635
Less: Non-controlling interests	(154,350)	(5,558)	(6,462)	–	–	(95)	(166,465)
	183,411	6,786	7,890	–	–	540	198,627
Transactions with owners							
Transfer to capital reserves, representing total transactions with owners	–	–	2,937	–	–	–	2,937
At 31 December 2021	459,949	90,484	114,213	(2,071,102)	(3,843)	1,177	(1,409,122)

26. OTHER RESERVES (continued)

Company	Capital redemption reserve 2022 RM'000	Capital redemption reserve 2021 RM'000
At beginning/end of the financial year/period	**2,905,831**	2,905,831

(a) Asset revaluation reserve

The asset revaluation reserve represents the fair value adjustments to the property, plant and equipment, investment properties and land use rights of Parkson Retail Development Co Ltd ("PRD") prior to the Group acquiring the remaining 44% equity interest in PRD in 2006.

(b) Capital reserves

The capital reserves are maintained by the Group's subsidiaries in the PRC in accordance with the regulations in that country and are not available for payment of dividend.

(c) Merger deficit

On 19 September 2007, the Group completed the acquisition of several companies in the retail business. The acquisition was satisfied by way of issuance of 3,799,730,000 new ordinary shares of the Company at an issue price of RM1.00 per share and RM500,000,000 nominal value 3-year 3.5% redeemable convertible secured loan stocks ("RCSLS") at 100% of its nominal value of RM1.00 each.

The difference between the fair value of the RCSLS of and shares in the Company issued as consideration and the nominal value of the shares acquired has been classified as merger deficit. The merger deficit was subsequently partially set off against capital redemption reserve of RM2,905,831,000 pursuant to a court approval dated 24 September 2007 granted to the Company. The RCSLS was fully converted in August 2010.

At each reporting date, the merger deficit will be reduced by transferring the Group's retained profits for the immediate preceding financial year after adjusting for proposed/declared dividend as at that date, in accordance with the Group's accounting policy disclosed in Note 2.5.

27. LOANS AND BORROWINGS

	Group	
	2022	**2021**
	RM'000	**RM'000**
Current		
Secured:		
Financial institutions		
Bank loans:		
HK$ denominated	**56,122**	1,130,461
Rmb denominated	**–**	5,892
Revolving financing	**121,500**	104,500
Bankers' acceptance	**5,963**	5,819
Bank overdrafts	**1,443**	1,596
Non-financial institutions		
Lenders from non-financial institutions	**127,644**	70,865
Unsecured:		
Term loan	**4,376**	4,092
Bank overdrafts	**2**	5
Total current loans and borrowings	**317,050**	1,323,230
Non-current		
Secured:		
Financial institutions		
Bank loans:		
HK$ denominated	**1,421,800**	–
Rmb denominated	**–**	16,988
Non-financial institutions		
Lenders from non-financial institutions	**–**	50,017
Total non-current loans and borrowings	**1,421,800**	67,005
Total loans and borrowings	**1,738,850**	1,390,235

27. LOANS AND BORROWINGS (continued)

	Group 2022 RM'000	Group 2021 RM'000
Total loans and borrowings		
Bank loans	**1,477,922**	1,153,341
Revolving financing	**121,500**	104,500
Bankers' acceptance	**5,963**	5,819
Lenders from non-financial institutions	**127,644**	120,882
Term loan	**4,376**	4,092
Bank overdrafts	**1,445**	1,601
	1,738,850	1,390,235
Maturity of loans and borrowings:		
Within one year	**317,050**	1,323,230
More than one year and less than two years	**56,474**	53,291
More than two years and less than five years	**1,365,326**	13,714
	1,738,850	1,390,235

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

	At 1.1.2022 RM'000	Proceeds RM'000	Repayment RM'000	Exchange differences RM'000	At 31.12.2022 RM'000
Bank loans	**1,153,341**	**1,379,859**	**(1,141,716)**	**86,438**	**1,477,922**
Revolving financing	**104,500**	**45,000**	**(28,000)**	**–**	**121,500**
Bankers' acceptance	**5,819**	**14,914**	**(14,770)**	**–**	**5,963**
Lenders from non-financial institutions	**120,882**	**–**	**–**	**6,762**	**127,644**
Term loan	**4,092**	**–**	**–**	**284**	**4,376**
Total	**1,388,634**	**1,439,773**	**(1,184,486)**	**93,484**	**1,737,405**

	At 1.7.2020 RM'000	Proceeds RM'000	Repayment RM'000	Exchange differences RM'000	At 31.12.2021 RM'000
Bank loans	1,805,497	27,397	(623,293)	(56,260)	1,153,341
Revolving financing	83,094	61,078	(45,816)	6,144	104,500
Bankers' acceptance	5,967	41,516	(41,233)	(431)	5,819
Lenders from non-financial institutions	124,152	–	–	(3,270)	120,882
Term loan	4,283	–	–	(191)	4,092
Total	2,022,993	129,991	(710,342)	(54,008)	1,388,634

27. LOANS AND BORROWINGS (continued)

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

	Group	
	2022	**2021**
	%	**%**
Bank loans	**4.6**	2.2
Revolving financing	**6.2**	4.4
Bankers' acceptance	**3.4**	2.8
Lenders from non-financial institutions	**10.8**	10.8
Term loan	**7.0**	7.0
Bank overdrafts	**6.4**	6.3

(i) In December 2021, the Group, as borrower, entered into a facility agreement with a syndicate of banks, as lenders, in relation to a syndicated term loan facility in an aggregate amount of up to HK$2,700,000,000 (equivalent to approximately RM1,396,710,000) ("Loan Facility"). The Loan Facility has a term of 36 months commencing from the first drawdown date. The Group had drawn down HK$2,667,600,000 (equivalent to approximately RM1,379,859,000) in January 2022 to fully settle the existing syndicated loans and to supplement its operating cash flows.

As at 31 December 2022, bank loans of the Group denominated in HK$ are secured by property, plant and equipment, investment properties and land use rights with total net carrying amount of RM1,442,191,000. As at 31 December 2021, bank loans of the Group denominated in HK$ and Rmb were secured by property, plant and equipment, investment properties and land use rights with total net carrying amount of RM2,085,273,000 and deposits with licensed banks and time deposits totalling RM461,078,000.

(ii) As at 31 December 2022, revolving financing of the Group of RM121,500,000 (2021: RM104,500,000) is secured by trade receivables of RM169,964,000 (2021: RM142,167,000) and unrealised receivables of RM54,028,000 (2021: RM41,169,000) which will be due within 48 months.

(iii) As at 31 December 2022, bankers' acceptance, bank overdrafts and bank guarantee facilities of the Group are secured by deposits with licensed banks of RM31,046,000 (2021: RM18,587,000).

(iv) As at 31 December 2022, amounts due to lenders from non-financial institutions of RM74,723,000 (2021: RM70,865,000) and RM52,921,000 (2021: RM50,017,000) are secured by an investment property with a carrying amount of RM160,200,000 (2021: RM160,200,000), and 924,200,000 ordinary shares (2021: 924,200,000 ordinary shares) of HK$0.02 each in the capital of PRGL, respectively.

28. LONG TERM PAYABLES

	Group 2022 RM'000	Group 2021 RM'000
Rental deposits	**5,390**	8,547
Others	**27**	49
	5,417	8,596

Non-current rental deposits have maturity ranging from 2 to 13 years (2021: 2 to 13 years). The rental deposits are initially recognised at their fair values. The difference between the fair value and the nominal deposit amount is recorded as deferred lease income.

29. PROVISIONS

	Group 2022 RM'000	Group 2021 RM'000
Non-current	**17,217**	17,285
Current	**5,816**	4,321
Total	**23,033**	21,606

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 2022 RM'000	Group 2021 RM'000
At beginning of the financial year/period	**21,606**	27,801
Arose during the financial year/period	**2,073**	1,687
Utilised during the financial year/period	**(340)**	(1,529)
Reversed during the financial year/period	**(839)**	(6,922)
Unwinding of discount	**558**	680
Exchange differences	**(25)**	(111)
At end of the financial year/period	**23,033**	21,606

30. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Current				
Trade and other payables:				
Trade payables (i)	**682,611**	879,421	**–**	–
Other payables (ii)	**279,570**	314,834	**–**	–
Deposits (iii)	**193,795**	141,692	**–**	–
Accruals (iv)	**104,419**	100,350	**891**	1,507
Total trade and other payables	**1,260,395**	1,436,297	**891**	1,507
Add:				
Loans and borrowings (Note 27)	**1,738,850**	1,390,235	**–**	–
Rental deposits (Note 28)	**5,390**	8,547	**–**	–
Amounts due to subsidiaries	**–**	–	**4,837**	3,190
Total financial liabilities carried at amortised cost	**3,004,635**	2,835,079	**5,728**	4,697

(i) Credit terms of trade payables granted to the Group vary from 30 to 90 days (2021: 30 to 90 days).

(ii) Other payables are normally settled on average terms of 30 to 90 days (2021: average terms of 30 to 90 days).

(iii) Amount as at 31 December 2022 included net deposits received by the Group of RM84,293,000 in relation to the Disposal of Properties as disclosed in Note 43(iii).

(iv) Accruals of the Group as at 31 December 2022 included the accrued compensation of RM11,400,000 arising from the settlement agreement entered into between Parkson Corporation Sdn Bhd ("PCSB"), a wholly-owned subsidiary of PRA, and the lessor for the full and final settlement of all disputes and claims in relation to the sub-lease arrangements as disclosed in Note 42(ii). PCSB had fully paid RM10,400,000 (being RM11,400,000 deducting RM1,000,000 which PCSB had paid to the lessor as deposit pursuant to the sub-lease arrangements) to the lessor on 2 March 2023.

Other information on financial risks of trade and other payables are disclosed in Note 39.

31. CONTRACT LIABILITIES

	Group 2022 RM'000	Group 2021 RM'000
Deferred revenue from:		
Gift cards/vouchers sold (i)	**400,787**	404,362
Customer loyalty award (ii)	**13,518**	15,395
	414,305	419,757

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

	Group 2022 RM'000	Group 2021 RM'000
At beginning of the financial year/period	**404,362**	388,996
Arising during the financial year/period	**417,892**	425,706
Revenue recognised during the financial year/period	**(405,973)**	(440,382)
Lapsed amounts reversed	**(2,207)**	–
Exchange differences	**(13,287)**	30,042
At end of the financial year/period	**400,787**	404,362

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

	Group 2022 RM'000	Group 2021 RM'000
At beginning of the financial year/period	**15,395**	17,771
Arising during the financial year/period	**15,276**	34,593
Revenue recognised during the financial year/period	**(16,736)**	(25,670)
Lapsed amounts reversed	**–**	(12,102)
Exchange differences	**(417)**	803
At end of the financial year/period	**13,518**	15,395

The deferred revenue from customer loyalty award is estimated based on the amount of bonus points outstanding at the reporting date that are expected to be redeemed before expiry.

32. AMOUNTS DUE TO SUBSIDIARIES

The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

33. DISCONTINUED OPERATIONS

In the previous financial period ended 31 December 2021, Parkson Haiphong Co Ltd ("PHCL"), a wholly-owned subsidiary of PRA in Vietnam, ceased the operation for an existing store and intended to cease the operation of its remaining store. The business operations of PHCL were significant to the operations in Vietnam and represented a separate major line of geographical area of operations (i.e. Haiphong). Consequently, the results of PHCL were separately disclosed under discontinued operations.

The revenue and results of PHCL were as follows:

		Group	
	Note	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Revenue	4	**–**	25,451
Other income	5	**153**	41,849
Purchase of goods and changes in inventories		**–**	(1,068)
Employee benefits expense	6	**–**	(2,880)
Depreciation and amortisation		**–**	(11,955)
Promotional and advertising expenses		**–**	(436)
Rental expenses		**–**	(3,485)
Other expenses		**(1,313)**	(9,235)
Operating (loss)/profit		**(1,160)**	38,241
Finance income	7	**–**	15
Finance costs	7	**–**	(10,484)
(Loss)/profit before tax	8	**(1,160)**	27,772
Income tax expense		**–**	–
(Loss)/profit for the financial year/period		**(1,160)**	27,772
(Loss)/profit for the financial year/period attributable to:			
Owners of the parent		**(788)**	18,874
Non-controlling interests		**(372)**	8,898
		(1,160)	27,772

34. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Note	Group 2022 RM'000
As reclassified from:		
Property, plant and equipment	(i)	**58,403**
Investment properties	(i), (ii)	**71,017**
Intangible assets	(i)	**63,513**
Investments in joint ventures	(iii)	**–**
		192,933

(i) On 9 September 2022, Qingdao No. 1 Parkson Co Ltd, an indirect 95.91% owned subsidiary of PRGL, had entered into a sale and purchase agreement with an independent third party to dispose of certain property, plant and equipment and investment properties located in Qingdao City, Shandong Province, the PRC ("Properties") at a consideration of Rmb280 million (equivalent to approximately RM177,016,000) ("Disposal of Properties"). Further details are disclosed in Note 43(iii).

The net book values of property, plant and equipment of RM58,403,000, investment properties of RM22,661,000 and goodwill of RM63,513,000 in relation to the Disposal of Properties were reclassified as non-current assets classified as held for sale as at 31 December 2022.

(ii) During the financial year ended 31 December 2022, the Group had identified and commenced negotiations with a potential purchaser for the proposed disposal of part of a leasehold land in Melaka, Malaysia ("Land").

On 31 January 2023, Megan Mastika Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with an independent third party in relation to the proposed disposal of approximately 7.54 acres of the Land for a cash consideration of approximately RM48.54 million ("Disposal of Land"). The Disposal of Land entails the disposal of approximately 7.54 acres of the Land ("Subject Property") with 1.28 acres of the Land that is adjacent to the Subject Property ("Surrendered Land") shall have been surrendered to the relevant authorities. The Land is pledged for a loan facility granted to the Group as at 31 December 2022.

The Disposal of Land is pending the fulfilment of conditions precedent.

The net book values of the Subject Property and the Surrendered Land totalling RM48,356,000 were reclassified as non-current assets classified as held for sale as at 31 December 2022.

(iii) 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 2022.

35. SIGNIFICANT RELATED PARTY DISCLOSURES

Related parties	Relationship
BonusKad Loyalty Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Lion Group Management Services Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Valino International Apparel Sdn Bhd (In liquidation)	A joint venture of the Group
Posim Marketing Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Secom (Malaysia) Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Brands Pro Management Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Visionwell Sdn Bhd	A company in which a Director who is also a substantial shareholder of the Company has interests
Lion Insurance Company Limited	A company in which a Director and certain substantial shareholders of the Company have interests

35. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(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/period:

	Group	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**
Purchases of goods and services from:		
- BonusKad Loyalty Sdn Bhd	**6,048**	6,367
- Lion Group Management Services Sdn Bhd	**492**	738
- Valino International Apparel Sdn Bhd (In liquidation)	**–**	378
- Posim Marketing Sdn Bhd	**118**	1,488
- Secom (Malaysia) Sdn Bhd	**765**	1,129
- Brands Pro Management Sdn Bhd	**355**	286
Rental of office and/or warehouse space from:		
- Visionwell Sdn Bhd	**1,044**	1,827

	Company	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**
Interest income from subsidiaries (Note 7)	**809**	1,495

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 2022 are disclosed in Note 19, Note 20, Note 30 and Note 32.

35. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(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/period are as follows:

	Group		Company	
	1.1.2022 to 31.12.2022 RM'000	**1.7.2020 to 31.12.2021 RM'000**	**1.1.2022 to 31.12.2022 RM'000**	**1.7.2020 to 31.12.2021 RM'000**
Short term employee benefits	**6,536**	11,110	**203**	308
Pension costs				
- Defined contribution plans	**157**	194	**–**	–
	6,693	11,304	**203**	308

36. COMMITMENTS

Capital commitments

Capital expenditure at the reporting date is as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Purchase of property, plant and equipment:		
Approved and contracted for	**42,406**	46,890

37. CORPORATE GUARANTEES

As at 31 December 2022, the Company had provided corporate guarantees amounting to RM44,000,000 (2021: RM44,000,000) in favour of financial institutions as security for the credit facilities totalling RM35,500,000 (2021: RM44,000,000) granted to subsidiaries of the Company.

The corporate guarantees issued were not recognised in the financial statements as no value has been placed on the guarantees provided by the Company, considering that the likelihood of the guaranteed parties defaulting within the guaranteed period were assessed to be remote.

38. FAIR VALUE

(a) Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets/(liabilities):

	Level 3 RM'000
2022	
Investment properties (Note 12):	
Completed investment properties	**2,023,040**
IPUC	**112,000**
Investment securities (Note 22):	
Financial assets at FVOCI	
- Unquoted equity securities	**17,504**
Financial assets at FVPL	
- Wealth management products	**68,477**
2021	
Investment properties (Note 12):	
Completed investment properties	2,095,040
IPUC	160,200
Investment securities (Note 22):	
Financial assets at FVOCI	
- Unquoted equity securities	17,331
Financial assets at FVPL	
- Wealth management products	59,345

There has been no transfer between Levels 1, 2 and 3 for the financial year/period 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.

38. FAIR VALUE (continued)

(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
Trade and other payables	30
Amounts due to subsidiaries	32

The carrying amounts of the financial assets and financial liabilities are reasonable approximations of fair values due to their short term nature.

(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 loans and borrowings

The fair values of long term loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangement at the reporting date.

(cc) Deposit receivables/payables

The fair values of rental deposit receivables/payables are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangement at the reporting date.

(dd) Lease liabilities

The fair values of non-current lease liabilities are estimated by discounting expected future lease payments at market incremental lending rate for similar types of lending, borrowings or leasing arrangements at the date of application.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, deposits, cash and bank balances that derive directly from its operations.

The Group is exposed to interest rate risk, foreign currency risk, liquidity risk and credit risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Group reviews and agrees to policies for managing each of these risks, which are summarised below:

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

A reasonably possible change of 100 basis point in interest rate, arising mainly from the lower/higher interest on bank loans, with all other variables held constant, the Group's profit or loss for the year/period would have been RM16,009,000 (2021: RM12,594,000) 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.

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.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign currency risk (continued)

In addition to the disclosure detailed elsewhere in the financial statements, the net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	Net financial assets held in			
Functional currency	**US$ RM'000**	**HK$ RM'000**	**SGD RM'000**	**Total RM'000**
Deposits, cash and bank balances				
2022				
Ringgit Malaysia	**529**	**1**	**420**	**950**
Chinese Renminbi	**9,525**	**16,449**	**–**	**25,974**
Vietnamese Dong	**115**	**–**	**–**	**115**
Burmese Kyat	**508**	**–**	**–**	**508**
Singapore Dollar	**1,243**	**–**	**–**	**1,243**
	11,920	**16,450**	**420**	**28,790**
2021				
Ringgit Malaysia	353	20	53	426
Chinese Renminbi	6,371	15,779	–	22,150
Vietnamese Dong	413	–	–	413
Burmese Kyat	567	–	–	567
Singapore Dollar	1,511	–	–	1,511
	9,215	15,799	53	25,067

Foreign currency sensitivity

A reasonably possible change of 2% in the US$, HK$ and SGD exchange rates against the functional currency of the Group, with all other variables held constant, would have no material impact on the Group's profit or loss.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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				
2022				
Trade and other payables	**1,260,395**	–	–	**1,260,395**
Loans and borrowings:				
Bank overdrafts	**1,445**	–	–	**1,445**
Revolving financing	**126,737**	–	–	**126,737**
Bankers' acceptance	**6,591**	–	–	**6,591**
Term loan	**4,476**	–	–	**4,476**
Bank loans	**160,841**	**1,530,753**	–	**1,691,594**
Lenders from non-financial institutions	**139,300**	–	–	**139,300**
Lease liabilities	**737,930**	**1,889,147**	**1,238,700**	**3,865,777**
Total undiscounted financial liabilities	**2,437,715**	**3,419,900**	**1,238,700**	**7,096,315**
2021				
Trade and other payables	1,436,297	–	–	1,436,297
Loans and borrowings:				
Bank overdrafts	1,601	–	–	1,601
Revolving financing	109,129	–	–	109,129
Bankers' acceptance	5,864	–	–	5,864
Term loan	4,410	–	–	4,410
Bank loans	1,177,361	18,409	–	1,195,770
Lenders from non-financial institutions	81,899	51,140	–	133,039
Lease liabilities	790,731	2,240,602	1,587,719	4,619,052
Total undiscounted financial liabilities	3,607,292	2,310,151	1,587,719	7,505,162

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Liquidity risk (continued)

	Not later than one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities: (continued)				
Company				
2022				
Trade and other payables	**891**	**–**	**–**	**891**
Total undiscounted financial liabilities	**891**	**–**	**–**	**891**
2021				
Trade and other payables	1,507	–	–	1,507
Total undiscounted financial liabilities	1,507	–	–	1,507

Corporate guarantee issued by the Company in favour of financial institutions as security for the credit facilities granted to subsidiaries of the Company, were not recognised in the financial statements as no value has been placed on the guarantees provided, considering that the likelihood of the guaranteed parties defaulting within the guaranteed period were assessed to be remote. Further details of the corporate guarantees are disclosed in Note 37.

(d) Credit risk

Credit risk is the risk of loss that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Group and the Company are exposed to credit risk from their operating activities primarily from trade and other receivables. The receivables are monitored on an ongoing basis through the Group's and the Company's management reporting procedures.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive fair values.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 20.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Credit risk (continued)

Credit risk concentration profile

The Group and the Company determine concentrations of credit risk by monitoring individual profile of their trade receivables on an ongoing basis.

At the reporting date, the Group and the Company do not have any significant exposure to any individual customer or counterparty nor do they have any major concentration of credit risk related to any financial instrument.

Financial assets that are neither past due nor impaired

Information regarding receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks and other financial institutions are placed with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding receivables that are either past due or impaired is disclosed in Note 20.

40. SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on its products and services, and has two reportable operating segments as follows:

(i) Retailing - Operation and management of retail stores in Malaysia, PRC and Vietnam.

In the previous financial period ended 31 December 2021, the Group had ceased to have control over the subsidiary in Indonesia, and accordingly, had ceased to consolidate the subsidiary in the Group's consolidated financial statements effective 17 May 2021 as disclosed in Note 15(b).

(ii) Others - Operation of credit services, food and beverage businesses, and investment holding.

Retailing operations of Parkson Haiphong Co Ltd, a wholly-owned subsidiary of PRA in Vietnam, were discontinued in the previous financial period ended 31 December 2021 as disclosed in Note 33.

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.

40. SEGMENTAL INFORMATION (continued)

The Group's segmental information is as follows:

2022	Retailing Malaysia RM'000	Retailing PRC RM'000	Retailing Vietnam RM'000	Others RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000
Revenue:							
External customers	**754,531**	**2,106,936**	**7,585**	**53,529**	**2,922,581**	**–**	**2,922,581**
Inter-segment	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total revenue	**754,531**	**2,106,936**	**7,585**	**53,529**	**2,922,581**	**–**	**2,922,581**
Results:							
Segment profit/(loss)	**209,131**	**27,059**	**(6,703)**	**(11,429)**	**218,058**	**(1,160)**	**216,898**
Finance income					**54,045**	**–**	**54,045**
Finance costs					**(369,622)**	**–**	**(369,622)**
Share of results of associates					**(1,001)**	**–**	**(1,001)**
Share of results of joint ventures					**(1,124)**	**–**	**(1,124)**
Impairment loss on:							
- Property, plant and equipment					**(3,112)**	**–**	**(3,112)**
- Right-of-use assets					**(25,057)**	**–**	**(25,057)**
- Intangible assets					**(32,500)**	**–**	**(32,500)**
Loss before tax					**(160,313)**	**(1,160)**	**(161,473)**
Total assets	**1,060,343**	**7,198,718**	**120,514**	**511,283**	**8,890,858**	**1,899**	**8,892,757**
Total liabilities	**1,021,738**	**4,994,361**	**118,776**	**302,036**	**6,436,911**	**2,781**	**6,439,692**
Capital expenditure	**11,564**	**92,514**	**561**	**23**	**104,662**	**–**	**104,662**

40. SEGMENTAL INFORMATION (continued)

The Group's segmental information is as follows: (continued)

2021	Retailing Malaysia RM'000	PRC RM'000	Vietnam RM'000	Indonesia RM'000	Others RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000
Revenue:								
External customers	720,221	3,999,495	5,597	23,916	70,629	4,819,858	25,451	4,845,309
Inter-segment	–	–	–	–	–	–	–	–
Total revenue	720,221	3,999,495	5,597	23,916	70,629	4,819,858	25,451	4,845,309
Results:								
Segment profit/(loss)	65,426	425,633	27,266	(34,769)	(1,616)	481,940	38,241	520,181
Finance income						93,620	15	93,635
Finance costs						(598,349)	(10,484)	(608,833)
Share of results of associates						7,223	–	7,223
Share of results of joint ventures						(2,165)	–	(2,165)
Effect on deconsolidation of a subsidiary						42,153	–	42,153
Write down of liabilities relating to a subsidiary in bankruptcy						166,233	–	166,233
Impairment loss on:								
- Property, plant and equipment						(67,334)	–	(67,334)
- An investment property						(10,300)	–	(10,300)
- Right-of-use assets						(136,132)	–	(136,132)
- Intangible assets						(25,257)	–	(25,257)
- Amount due from a joint venture						(10,000)	–	(10,000)
(Loss)/profit before tax						(58,368)	27,772	(30,596)
Total assets	958,232	7,998,103	126,969	–	447,485	9,530,789	13,512	9,544,301
Total liabilities	1,012,126	5,271,278	124,231	–	273,367	6,681,002	9,577	6,690,579
Capital expenditure	29,160	274,607	1,307	6	7	305,087	–	305,087

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

	Group 2022 RM'000	2021 RM'000
Malaysia	**694,909**	797,174
PRC	**4,973,626**	5,726,526
Vietnam	**56**	102
Others	**4**	4
	5,668,595	6,523,806

The amount of non-current assets consist of property, plant and equipment, investment properties, right-of-use assets, intangible assets, investments in associates and investments in joint-ventures.

Information about major customer

The Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue.

41. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains the Group's stability and growth in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group regularly reviews and manages its capital structure and makes adjustments to it, taking into consideration of changes in economic conditions, future capital requirements of the Group, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities. No changes were made in the objective, policies or processes during the financial year ended 31 December 2022 and the financial period ended 31 December 2021.

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**	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Lease liabilities (Note 13(b))	**2,846,672**	3,249,903	**–**	–
Loans and borrowings (Note 27)	**1,738,850**	1,390,235	**–**	–
Less: Deposits, cash and bank balances (Note 23)	**(1,306,069)**	(1,309,279)	**(3,461)**	(3,422)
Investment securities - current (Note 22)	**(68,477)**	(59,345)	**–**	–
Net debt/(cash) (A)	**3,210,976**	3,271,514	**(3,461)**	(3,422)
Total equity, representing total capital	**2,453,065**	2,853,722	**2,672,811**	2,650,764
Capital and net debt (B)	**5,664,041**	6,125,236	**2,669,350**	2,647,342
Gearing ratio (A/B)	**57%**	53%	*	*

* Not applicable as the Company does not have debt.

42. STATUS OF LITIGATIONS

(i) On 15 November 2018, Parkson (Cambodia) Co Ltd ("PCCO"), a wholly-owned subsidiary of Parkson Retail Asia Limited ("PRA") which is in turn a 67.96% owned subsidiary of the Company, commenced arbitration proceedings on Hassan (Cambodia) Development Co Ltd ("Lessor") under Singapore International Arbitration Centre ("SIAC Arbitration") relating to the lease of a planned store in Cambodia ("Premises"). The SIAC Arbitration hearing was completed on 26 May 2020. On 14 September 2020, the SIAC Arbitration issued a final award ("SIAC Award") wherein the SIAC Arbitration found, *inter alia*, that the lease agreement dated 21 April 2016 in respect of the Premises ("Lease Agreement") was lawfully terminated by PCCO, and ordered the Lessor to pay to PCCO approximately US$7.8 million which included:

(a) security deposit of US$2,463,750;

(b) advance rental of US$2,025,000;

(c) costs and expenses incurred by PCCO of US$2,692,253 which had been wasted as a result of the Lessor's breach of the Lease Agreement; and

(d) costs and expenses of the SIAC Arbitration, and legal fees and costs incurred in connection with the proceedings of approximately SGD0.8 million.

Even though the disputes between PCCO and the Lessor were before the SIAC Arbitration, on 12 December 2018, the Lessor had filed a petition ("Case No. 2577") in the Phnom Penh Municipal Court of First Instance ("PPMCFI"). On 27 March 2020, PPMCFI granted a default judgement against PCCO in the Case No. 2577 ("Default Judgement") for, *inter alia*:

(a) the Lessor shall forfeit the security deposit and all advance rental paid by PCCO to the Lessor amounting to US$4,488,750; and

(b) PCCO shall pay damages of US$144,504,960 to the Lessor, being the rental fee for the whole period of the lease.

On 4 May 2020, PCCO filed a petition to PPMCFI to set aside the Default Judgement. PPMCFI has agreed to accept PCCO's petition and to hold pre-trial proceedings and hearing for the Case No. 2577. After the pre-trial proceedings and subsequent hearing for Case No. 2577, the PPMCFI will decide whether to (a) uphold the Default Judgement; or (b) dismiss the Default Judgement (either party or wholly). Additionally, on 21 May 2020, PCCO filed a motion to challenge and disqualify PPMCFI's judge ("Motion to Challenge and Disqualify Judge"). The Motion to Challenge and Disqualify Judge was dismissed on 9 June 2020 and on 26 June 2020, PCCO filed an appeal against the decision of the PPMCFI. On 11 November 2020, PCCO's appeal against the Motion to Challenge and Disqualify Judge was dismissed by the Cambodian Appellate Court.

The hearing date for the Case No. 2577 has yet to be fixed by PPMCFI.

On 27 November 2020, PCCO applied for the recognition and enforcement of the SIAC Award to the Cambodian Appellate Court ("PCCO Application on SIAC Award"). The PCCO Application on SIAC Award was heard on 10 November 2021 and the decision on the PCCO Application on SIAC Award will be on a date to be fixed by the Cambodian Appellate Court.

The Default Judgement is only applicable against PCCO and does not extend to the Group. The Default Judgement, if not set aside, will be recorded by the Group although the management is of the view that the execution of which will be limited to the Group's capital contribution in PCCO which had previously been fully provided for. The Group had also previously recognised full impairment loss on the security deposit, advance rental as well as property, plant and equipment in respect of the relevant store in Cambodia.

42. STATUS OF LITIGATIONS (continued)

(ii) On 2 April 2021, Parkson Corporation Sdn Bhd ("PCSB"), a wholly-owned subsidiary of Parkson Retail Asia Limited ("PRA") which is in turn a 67.96% owned subsidiary of the Company, was served with a Writ of Summons and Statement of Claim filed by Millennium Mall Sdn Bhd ("MMSB"), the lessor of "M Square Mall", in the Kuala Lumpur High Court ("Court") in relation to an alleged breach of a settlement agreement which MMSB alleged was purportedly entered into between PCSB and MMSB on 21 July 2020 ("Suit").

PCSB was of the view that there was no settlement reached between the parties to begin with, and therefore, there could not have been a breach of any settlement agreement.

On 26 April 2021, PCSB had filed a Notice of Application to strike out the Suit ("Striking Out Application"). The Court had on 6 January 2022 allowed the Striking Out Application with costs of RM10,000 being awarded to PCSB ("Court's Decision").

MMSB had on 17 January 2022, filed an appeal to the Court of Appeal against the Court's Decision.

On 20 February 2023, PCSB and MMSB had entered into a settlement agreement for the full and final settlement of all disputes and claims between PCSB and MMSB in relation to the sub-lease arrangements between PCSB and MMSB ("Sub-lease Arrangements") ("Settlement Agreement"). Pursuant to the terms of the Settlement Agreement, it had been agreed, amongst others, that:

(a) PCSB shall pay a lump sum of RM10.4 million (being RM11.4 million deducting RM1 million which PCSB had paid to MMSB as deposit pursuant to the Sub-lease Arrangements) to MMSB, without admission as to liability, within 14 days from the date of the Settlement Agreement; and

(b) PCSB and MMSB shall relinquish, waive, release and/or discharge each other from all claims, debts and liabilities whatsoever in connection with and/or arising from the existing legal and arbitration proceedings involving PCSB and MMSB in relation to the Sub-lease Arrangements, and MMSB shall not in the future institute any proceedings and/or action against PCSB in relation to the Sub-lease Arrangements.

PCSB had accrued compensation of RM11.4 million arising from the Settlement Agreement as at 31 December 2022, as disclosed in Note 30(iv). The amount of RM10.4 million (being RM11.4 million deducting RM1 million which PCSB had paid to MMSB as deposit pursuant to the Sub-lease Arrangements) was fully paid by PCSB to MMSB on 2 March 2023 and the parties had discontinued the entire Suit on 7 March 2023.

42. STATUS OF LITIGATIONS (continued)

(iii) On 23 December 2019, PCSB was served with a Writ and the Statement of Claim both dated 13 December 2019 ("Suit"). The Suit was initiated by PKNS-Andaman Development Sdn Bhd ("PKNS") in relation to premises let to PCSB within a mall known as "EVO Shopping Mall" ("Demised Premises").

PKNS, the landlord of the Demised Premises, has alleged that PCSB had failed to observe its obligation to pay rental for the Demised Premises pursuant to the Tenancy Agreement dated 2 October 2017 entered into between PCSB and PKNS ("Tenancy Agreement") and accordingly, PKNS is claiming for, amongst others, the following reliefs:

(a) payment by PCSB of RM3,659,172 to PKNS, being the accrued monthly rental from 2 April 2018 to 2 December 2019, and thereafter at the rate of RM182,958 per month until the return of the Demised Premises to PKNS;

(b) as an alternative to item (a) above, payment by PCSB of RM3,842,131 to PKNS, being the accrued monthly rental from 27 February 2018 to 27 November 2019, and thereafter at the rate of RM182,958 per month until the return of the Demised Premises to PKNS;

(c) payment by PCSB of RM1,859,600 to PKNS, being the renovation cost contributed by PKNS towards the Demised Premises;

(d) interest upon the judgement debt at the rate of 5% per annum from the date of the Writ and Statement of Claim until the date of judgement;

(e) interest upon the judgement debt at the rate of 5% per annum from the date of judgement until date of full settlement;

(f) PCSB to duly return the vacant possession of the Demised Premises to PKNS in the original condition and/or PCSB to return vacant possession of the Demised Premises to PKNS within 14 days from the date of judgement; and

(g) costs of proceedings to be paid by PCSB to PKNS.

On 22 May 2020, PCSB filed a court application to strike out the Suit on the grounds that the Suit (a) discloses no reasonable cause of action; (b) is scandalous, frivolous and vexatious; and/or (c) is an abuse of process of the court.

On 29 January 2021, the High Court of Malaya ("High Court") allowed PCSB's application to strike out the Suit and had accordingly struck out the Suit with costs of RM7,000 to be paid by PKNS to PCSB.

On 16 February 2021, PCSB received a notice of appeal from PKNS informing that PKNS had filed an appeal against the decision given by the High Court on 29 January 2021 allowing PCSB's striking out application ("Appeal"). The Court of Appeal had fixed 21 March 2023 as the hearing date for the Appeal.

On 21 March 2023, the Court of Appeal allowed the Appeal and directed for the matter to proceed with trial at the High Court. The next case management date is 13 April 2023 for further directions to be given.

PCSB took the position that (a) no rental is payable as PKNS has failed to satisfy the conditions precedent as set out in the Tenancy Agreement for rental commencement to be triggered and PKNS's act of issuing commencement notice pursuant to the Tenancy Agreement backdating the commencement date of rental without satisfying the conditions precedent is unlawful; and (b) it has a good defence and has instructed its solicitors to vigorously defend against the Appeal.

42. STATUS OF LITIGATIONS (continued)

(iv) Parkson Vietnam Co Ltd ("PVC"), a wholly-owned subsidiary of PRA, received a letter dated 25 November 2020 from the Vietnam International Arbitration Centre ("VIAC") which provided, amongst others, that the landlord of PVC's leased premises in Da Nang, Vietnam ("Premises") ("Landlord") had submitted for arbitration in respect of the said lease to the VIAC ("Arbitration Request"). PVC operated a department store on the Premises leased to PVC for a term of 10 years which commenced on 15 February 2015 ("Lease").

The Landlord had submitted the Arbitration Request in respect of a claim of approximately VND26.9 billion (equivalent to approximately RM5.0 million) for alleged unpaid and outstanding rental and late payment charges for the period from 15 April 2019 to 14 August 2020 in connection with the Lease ("Claim Amount"). PVC had subsequently received another letter from the Landlord alleging, amongst others, that PVC is required under the terms of the Lease to pay to the Landlord a total amount of VND66.2 billion (equivalent to approximately RM12.3 million) for alleged unpaid and outstanding rental and late payment charges for the period from 15 April 2019 to 14 January 2021 and compensation for early termination of the Lease ("Revised Claim Amount"), and that the Premises were to be returned to the Landlord by 14 January 2021. The increase in the Revised Claim Amount, as compared with the Claim Amount, was principally attributable to the Landlord's demands for early termination compensation and forfeiture of the security deposit held by the Landlord.

On 26 January 2021, PVC received a letter from the VIAC notifying PVC on the additional petition submitted by the Landlord to the VIAC to amend the Arbitration Request in accordance with the Revised Claim Amount, to seek return of the Premises to the Landlord, and compensation for all arbitration fees and other relevant expenses (including legal fees) incurred by the Landlord in connection with the alleged breaches.

On 27 January 2021, PVC filed its statement of defence with the VIAC in response to the Arbitration Request from the Landlord in respect of the Claim Amount, as well as a counterclaim to effectively require the Landlord to allow PVC's sub-tenants to re-locate and handover their respective premises to PVC.

Subsequently, PVC received a notice from VIAC dated 21 October 2021 to attend to the summon relating to the settlement of the dispute on 23 November 2021 at VIAC, Ho Chi Minh City.

On 19 November 2021, PVC received a letter from the VIAC notifying PVC on the second revised claim amount submitted by the Landlord to the VIAC mainly to include an additional compensation claim amount for the rent (calculated from 15 January 2021 to 23 November 2021) in relation to PVC's alleged failure to return the Premises to the Landlord by 14 January 2021, which has brought the total claim amount to VND85.7 billion (equivalent to approximately RM15.9 million).

42. STATUS OF LITIGATIONS (continued)

(iv) (continued)

On 15 December 2021, PVC received the VIAC's decision dated 10 December 2021 in relation to the settlement of dispute between both parties that the VIAC, *inter alia*, decided that PVC shall compensate the Landlord a total of VND68.9 billion (equivalent to approximately RM12.8 million) which comprised the following ("Arbitral Award"):

(a) rent accrued from 15 April 2019 to 31 December 2020 based on base rent of VND29.3 billion (equivalent to approximately RM5.5 million);

(b) late payment interest up to 23 November 2021 of VND8.8 billion (equivalent to approximately RM1.6 million);

(c) compensation in relation to early termination of the lease agreement between both parties of VND28.8 billion (equivalent to approximately RM5.4 million);

(d) arbitration fee of VND1.5 billion (equivalent to approximately RM0.3 million); and

(e) legal fee of VND0.5 billion (equivalent to approximately RM93,000).

In addition to the above, PVC was required to complete the handover of the Premises together with the applicable furniture and fittings to the Landlord within 30 days from the date of the VIAC's decision. PVC had on 2 June 2022 handed over the premises to the Landlord.

The Arbitral Award is to be settled within 30 days from the date of the VIAC's decision, failure of which additional late payment interest will be imposed on PVC.

PVC was informed by its legal counsel in Vietnam that the VIAC's decision is final and the Arbitral Award may only be adjusted based on further justification by either party, subject to VIAC's approval. On 17 December 2021, PVC provided such further justifications to the VIAC.

On 26 January 2022, PVC received VIAC's response dated 21 January 2022 that VIAC did not accept PVC's further justifications made on 17 December 2021 to amend the Arbitral Award.

Total payments made during the financial year ended 31 December 2022 totalled VND26.7 billion (equivalent to approximately RM5.0 million). The amount outstanding as at 31 December 2022 stood at VND42.2 billion (equivalent to approximately RM7.8 million). As at the date of this report, PVC continues to negotiate for a proposed payment plan to the Landlord to a sum of VND42.2 billion (equivalent to approximately RM7.8 million) (excluding late payment interest of VND9.8 billion, equivalent to approximately RM1.8 million) as final settlement.

43. SIGNIFICANT EVENTS

(i) The Company had on 2 March 2022, pursuant to the second tranche of the private placement, issued and allotted 30,000,000 new ordinary shares in the Company at RM0.165 per share for cash resulting in an increase in the issued share capital of the Company by RM4,950,000 from RM2,155,629,753 to RM2,160,579,753.

(ii) On 17 March 2022, the Company announced the following:

(a) the approval granted by Bursa Malaysia Securities Berhad ("Bursa Securities") for an extension of time up to 17 March 2022 for the Company to complete the implementation of the private placement of up to 106,718,000 new ordinary shares in the Company ("Parkson Shares" or "Shares"), representing 10% of the then total number of issued Shares of 1,067,180,170 (excluding 26,721,880 treasury shares held by the Company as at 11 March 2020), to independent third party investor(s) ("Private Placement") had lapsed on 17 March 2022; and

(b) a total of 55,000,000 new ordinary shares in the Company had been issued by the Company and listed on the Main Market of Bursa Securities pursuant thereto.

Following therefrom, the Private Placement was deemed completed on 17 March 2022.

(iii) On 9 September 2022, Qingdao No. 1 Parkson Co Ltd ("Vendor"), an indirect 95.91% owned subsidiary of PRGL, had entered into a sale and purchase agreement with an independent third party to dispose of the properties (together with the car parking lots, refuge floors and other ancillary facilities) consist of Floor No. B5-F8, F9-F12A, F27, F46-F48 located at No. 44-60 Zhongshan Road, Shinan District, Qingdao City, Shandong Province, the PRC with an aggregate construction area of approximately 76,013 square metres, at the consideration of Rmb280,000,000 (equivalent to approximately RM177,016,000) ("Disposal of Properties").

The shareholders' approval for PRGL on the Disposal of Properties had been obtained on 28 October 2022. The Disposal of Properties is pending the fulfilment of conditions precedent.

44. COMPARATIVES

The financial statements of the Group and of the Company are made up for a period of 12 months from 1 January 2022 to 31 December 2022. The comparative figures which were prepared for the 18-month period from 1 July 2020 to 31 December 2021, are therefore not comparable.