



PARKSON HOLDINGS BERHAD

A Member of Lion Group

Reg. No: 198201009470 (89194-P)



LAPORAN TAHUNAN **2025** ANNUAL REPORT

CONTENTS

	Page
Notice of Meeting	1
Corporate Information	5
Directors' Profile	6
Profile of Key Senior Management	11
Corporate Governance Overview Statement	13
Statement on Risk Management and Internal Control	24
Audit Committee Report	34
Nomination Committee	42
Remuneration Committee	44
5 Years Group Financial Highlights	45
The Group's Businesses	46
Chairman's Statement	47
Management Discussion and Analysis	49
Sustainability Statement	53
List of Group Properties	79
Analysis of Shareholdings	80
Material Contracts	83
Other Information	84
Financial Statements	Enclosed
Form of Proxy	Enclosed

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the 42nd Annual General Meeting of Parkson Holdings Berhad (“42nd AGM”) will be held at the Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan on Thursday, 21 May 2026 at 10.30 am for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 and the Reports of the Directors and Auditors thereon. **Note 1**
2. To approve the payment of Directors’ fees amounting to RM260,000 for the financial year ended 31 December 2025 (2024 : RM258,800). **Resolution 1**
3. To approve the payment of Directors’ benefits of up to RM90,000 for the period commencing after the 42nd AGM until the next annual general meeting of the Company. **Resolution 2**
4. To re-elect the following Directors who retire by rotation in accordance with Clause 110 of the Company’s Constitution and who being eligible, have offered themselves for re-election:
 - (i) Y. Bhg. Tan Sri Cheng Heng Jem **Resolution 3**
 - (ii) Mr Ooi Kim Lai **Resolution 4**
5. To re-elect Y. M. Datuk Seri Utama Raja Nong Chik bin Dato’ Raja Zainal Abidin who was appointed during the financial year and retires in accordance with Clause 111 of the Company’s Constitution and who being eligible, has offered himself for re-election. **Resolution 5**
6. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**
7. Special Business

To consider and, if thought fit, pass the following Ordinary Resolutions:
- 7.1 Authority to Directors to Issue and Allot Shares **Resolution 7**

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

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

"THAT approval be and is hereby given for the renewal of the mandate, for the Company and its subsidiaries (collectively, the "Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations as detailed in paragraph 3.3 and with those related parties as set out in paragraph 3.2 of the Circular to Shareholders of the Company dated 22 April 2026 ("Related Parties"), provided that such transactions are undertaken in the ordinary course of business and are on normal commercial terms which are consistent with the Group's usual business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and

Resolution 8

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

- (i) the conclusion of the next annual general meeting of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next annual general meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by resolution passed by the Shareholders of the Company in general meeting,

whichever is the earlier; and

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

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

By Order of the Board

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

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

Kuala Lumpur
22 April 2026

Notes:

- *Proxy*
 - (i) *In respect of deposited securities, only Members whose names appear in the Record of Depositors on 15 May 2026 shall be eligible to attend at the Meeting.*
 - (ii) *A member entitled to attend and vote at the Meeting is entitled to appoint not more than 2 proxies to attend and vote instead of him. A proxy need not be a member of the Company.*
 - (iii) *If a member appoints 2 proxies, the proportion of his shareholdings represented by each proxy must be specified.*
 - (iv) *The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or the hand of an officer or attorney duly authorised.*
 - (v) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
 - (vi) *The instrument appointing a proxy shall be deposited at the Office of the Registrar of the Company, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time for holding the Meeting.*
 - (vii) *Completed Form of Proxy sent through facsimile transmission or any electronic or digital manner shall not be accepted.*

1. *Audited Financial Statements for the financial year ended 31 December 2025*

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

2. *Resolution 1*

The fees for the Chairman of the Board is proposed to be increased from RM50,000 to RM70,000 for the financial year ended 31 December 2025, based on benchmarking against the market, taking into account the scope of responsibilities and the size of the Company.

3. *Resolution 2*

The benefits payable to the Directors of up to RM90,000 for the period commencing after the 42nd AGM until the next annual general meeting of the Company comprise estimated meeting allowance in respect of Directors' attendance at Board and Board Committees meetings which have been scheduled and additional meetings. The Board is of the view that it is just and equitable for the Directors to be paid the meeting allowance as and when incurred in discharging their duties and rendering their services to the Company throughout the relevant period.

4. *Resolutions 3 to 5*

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

- (i) *Y. Bhg. Tan Sri Cheng Heng Jem*
- (ii) *Mr Ooi Kim Lai*
- (iii) *Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin*

The Nomination Committee (“NC”) had reviewed the performance and contribution of Y. Bhg. Tan Sri Cheng Heng Jem and Mr Ooi Kim Lai during the annual assessment for the financial year ended 31 December 2025. Based on the results of the assessment, the NC was satisfied with the performance and contribution of Y. Bhg. Tan Sri Cheng and Mr Ooi who had discharged their duties and responsibilities effectively at all times.

The NC had also considered and viewed that it is fair to recommend the re-election of Y. M. Datuk Seri Utama Raja Nong Chik who was appointed during the financial year and is subject to retire at the first annual general meeting after his appointment.

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

The profiles of the Retiring Directors are set out on pages 6, 7 and 10 of the 2025 Annual Report.

5. *Resolution 7*

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

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

As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting of the Company held on 28 May 2025 which will lapse at the conclusion of the 42nd AGM.

6. *Resolution 8*

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

Details on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature are set out in the Circular to Shareholders dated 22 April 2026 which is made available on the websites of the Company at www.lion.com.my/parkson-agm and Bursa Malaysia Berhad at www.bursamalaysia.com.

CORPORATE INFORMATION

Board of Directors	: Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin (<i>Chairman</i>) Y. Bhg. Tan Sri Cheng Heng Jem (<i>Managing Director</i>) Ms Cheng Hui Yen, Natalie (<i>Executive Director</i>) Y. Bhg. Dato' Eow Kwan Hoong Mr Liew Jee Min @ Chong Jee Min Mr Ooi Kim Lai
Secretaries	: Ms Lim Kwee Peng (MAICSA 7015250) SSM PC No. 202008002981 Ms Choo Yoon May (MAICSA 7044632) SSM PC No. 202008002365
Registration No	: 198201009470 (89194-P)
Registered Office	: Level 14, Lion Office Tower No. 1 Jalan Nagasari 50200 Kuala Lumpur Wilayah Persekutuan Tel No : 03-21420155 Website : www.lion.com.my/parkson Email : phb@lion.com.my
Share Registrar	: Securities Services (Holdings) Sdn Bhd Level 7, Menara Milenium Jalan Damanlela, Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur Wilayah Persekutuan Tel No : 03-20849000 (general) Fax Nos : 03-20949940, 03-20950292 Email : info@sshbs.com.my
Auditors	: Grant Thornton Malaysia PLT Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Wilayah Persekutuan
Principal Bankers	: HSBC Amanah Malaysia Berhad CIMB Bank Berhad Malayan Banking Berhad China Merchants Bank China Zheshang Bank Bank of China (Hong Kong) Limited Bank of Communications (Hong Kong) Limited
Stock Exchange Listing	: Bursa Malaysia Securities Berhad ("Bursa Securities")
Stock Name	: PARKSON
Bursa Securities Stock No	: 5657
Reuters Code	: PRKN.KL

DIRECTORS' PROFILE

Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin
Independent Non-Executive Chairman

Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin, a Malaysian, male, aged 73, was appointed as a Director and the Chairman of the Company on 27 November 2025.

Datuk Seri Raja Nong Chik graduated with a Bachelor of Economics (Honours) from the University College of Wales, Aberystwyth. He is also a Fellow of the Chartered Institute of Management Accountants and an Associate member of the Institute of Chartered Secretaries and Administrators as well as a member of the Malaysian Institute of Accountants.

Datuk Seri Raja Nong Chik started his career as an accountant at FELCRA (Federal Land Consolidation and Rehabilitation Authority) in 1978 and thereafter as the Assistant Financial Controller and Manager, Corporate Planning at Kumpulan FIMA Bhd. He then joined the OYL Group as an Executive Director and was instrumental in setting a joint-venture company which pioneered a local brand of air conditioners and fridge under the brand name, ACSON, which is now exported throughout the world. In 1986, he was instrumental in getting OYL Industries Bhd listed on the Kuala Lumpur Stock Exchange (now Bursa Malaysia Securities Berhad). In 1991, he left the OYL Group after disposing of a strategic stake to the Hong Leong Group to establish his own RASMA Group of Companies as an engineering based investment company which is actively involved in mechanical and electrical engineering, construction and property investment, and manufacturing. Until April 2009, he was on the Board of Pharmaniaga Bhd and iCapital.biz Bhd. He was appointed an independent non-executive Director of Lion Industries Corporation Berhad in August 2013 and became its Chairman in December 2013 until November 2025.

Datuk Seri Raja Nong Chik also served as a committee member of the Selangor Federation of Malaysian Manufacturers for a number of years, and before becoming a Minister, was the President of the Bumiputra Manufacturers and Services Industry Association, President of Persatuan Kontraktor Jentera Melayu Malaysia (PKJMM) and a member of the National Innovation Council of Malaysia. In April 2009, he was appointed a Senator and the Minister of Federal Territories and Urban Well-Being by the Prime Minister. He resigned as a Minister and Senator in May 2013.

Datuk Seri Raja Nong Chik has a deemed interest in 500,000 ordinary shares in the Company.

Datuk Seri Raja Nong Chik was appointed subsequent to the final Board Meeting of the Company held during the financial year ended 31 December 2025.

Tan Sri Cheng Heng Jem
Managing Director

Y. Bhg. Tan Sri Cheng Heng Jem, a Malaysian, male, aged 83, was appointed to the Board on 30 March 1989. He was appointed the Managing Director on 16 August 2006 and served as the Chairman of the Company from 13 November 2006 until 27 November 2025, when he stepped down as the Chairman.

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

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

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

- Chairman and Managing Director of Lion Industries Corporation Berhad, a public listed company
- Chairman of Lion Posim Berhad, a public listed company
- Founding Member and Permanent Trustee of The Community Chest, and Founding Member and Chairman of Kuen Cheng Holistic Education Berhad, both Malaysian companies limited by guarantee, the former established by the private sector for charity purposes and the latter for the provision of general private education

Tan Sri Cheng has a direct shareholding of 286,923,039 ordinary shares in the Company (“Parkson Shares”) and a deemed interest in 339,994,089 Parkson Shares. By virtue of his substantial interest in the Company, he is deemed to be interested in the subsidiaries of the Company, both wholly-owned and those set out on page 82 of this Annual Report.

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

Tan Sri Cheng attended all 4 Board Meetings of the Company held during the financial year ended 31 December 2025.

Cheng Hui Yen, Natalie
Executive Director

Ms Cheng Hui Yen, Natalie, a Malaysian, female, aged 42, was appointed the Executive Director of the Company on 26 August 2015.

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

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

Apart from overseeing Parkson's Merchandising Department in Malaysia, Ms Cheng keeps abreast of the local retail scene as well as in the PRC for the overall improvement of Parkson stores. She also undertakes investor relations by engaging with fund managers and analysts on the retail industry. In addition, she is involved in the Group's financial services business. In November 2025, Ms Cheng was promoted as Group Director of the Lion Group, while continuing to serve in her existing roles in the Lion Group.

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

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

Ms Cheng attended all 4 Board Meetings of the Company held during the financial year ended 31 December 2025.

Dato' Eow Kwan Hoong
Independent Non-Executive Director

Y. Bhg. Dato' Eow Kwan Hoong, a Malaysian, male, aged 72, was appointed to the Board on 29 May 2024. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

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

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

Dato' Eow attended all 4 Board Meetings of the Company held during the financial year ended 31 December 2025.

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

Mr Liew Jee Min @ Chong Jee Min, a Malaysian, male, aged 67, was appointed to the Board on 15 January 2019. He is also the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

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

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

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

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

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

Mr Chong attended all 4 Board Meetings of the Company held during the financial year ended 31 December 2025.

Ooi Kim Lai

Non-Independent Non-Executive Director

Mr Ooi Kim Lai, a Malaysian, male, aged 58, was appointed to the Board on 12 May 2014. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

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

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

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

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

Mr Ooi attended all 4 Board Meetings of the Company held during the financial year ended 31 December 2025.

Notes:

1. Details of the potential conflict of interest (“COI”) situations involving Tan Sri Cheng, Ms Natalie Cheng and Mr Chong are disclosed in the Audit Committee Report on pages 36 to 38 of this Annual Report.
2. Save as disclosed in the Directors’ Profile and Note 1 above, none of the Directors has (i) any interest in shares in the Company or its subsidiaries; (ii) any family relationship with any Director and/or major shareholder of the Company; (iii) any COI or potential COI, including interest in any competing business with the Company or its subsidiaries; and (iv) any conviction for offences within the past 5 years nor any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

Juliana Cheng San San

Singaporean, female, 56 years of age

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

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

She started her career with the Lion Group in 1995 with stints in Singapore and Malaysia. During her tenure from 1995 to 2004, she held various positions in finance, human resource, administration and business development. In 2004, Ms Cheng was seconded to Parkson China as Cosmetics Manager and thus, began her career in the retail industry. She left Parkson China in May 2006 and joined Chanel (China) Co., Ltd. as the National Accounts Manager for business development in the PRC. In June 2010, she re-joined Parkson China as Regional Director overseeing its retail operations in the PRC. She is also a director of various subsidiaries of PRGL. During her more than 30 years with the Lion Group, Parkson China and Chanel (China) Co., Ltd., she has accumulated vast experience and knowledge of the retail and branding industry which enables her to contribute to the Group.

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

Cheng Hui Yuen, Vivien

Malaysian, female, 37 years of age

Ms Cheng Hui Yuen, Vivien, was appointed as Executive Director of PRA on 18 September 2015. PRA Group mainly undertakes the Group’s retail operations in Malaysia.

Ms Vivien Cheng holds a Bachelor of Engineering in Environmental Engineering from the University of Science and Technology Beijing, the PRC.

She joined the Lion Group in 2012 and is presently the General Manager - Business Development of Parkson Branding Division. Her responsibilities include the bringing in of international brands to the Southeast Asia market and introducing brands that are exclusive to Parkson Department Stores. Besides the key function of identifying and procuring fashion and retail brands, her portfolio requires her to be keenly involved in Parkson Department Stores operations and other Lion Group projects such as shopping mall development and food and beverage businesses. She is also involved in the Group’s financial services business. In November 2025, Ms Cheng was promoted as Group Director of the Lion Group, while continuing to serve in her existing roles in the Lion Group.

Ms Cheng is the daughter of Y. Bhg. Tan Sri Cheng Heng Jem who is the Managing Director and a major shareholder of the Company. She is also the sister of Ms Cheng Hui Yen, Natalie, the Executive Director of the Company and Ms Juliana Cheng San San who is an Executive Director of PRGL, a subsidiary of the Company listed on The Stock Exchange of Hong Kong Limited.

Zhou Jia

Chinese, male, 54 years of age

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

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

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

Law Boon Eng

Malaysian, male, 68 years of age

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

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

Mr Law first joined the Group’s Malaysia operations in 1988 as a Divisional Merchandising Manager and was appointed the General Manager of Merchandising and Marketing Department in 1996. Mr Law left the Group in 2001 and re-joined the Group as the Acting COO in 2014 and assumed the position of the COO from October 2015 to May 2023. Mr Law has more than 35 years of experience in the retail industry. Prior to re-joining the Group, Mr Law held various senior positions in other major retail groups in Malaysia, including COO and Executive Director of Ngiu Kee Corporation Bhd from 2001 to 2003 and Executive Director of Asia Brands Corporation Berhad from 2003 to 2007.

Poh Wan Chung, Danny

Malaysian, male, 53 years of age

Mr Poh Wan Chung, Danny, a Director of Parkson Credit Sdn Bhd (“Parkson Credit”) assumed the position of Executive Director on 1 March 2021 and was redesignated the CEO on 1 February 2025, in charge of and responsible for the operations of Parkson Credit, a wholly-owned subsidiary of PRGL, which provides consumer durables financing and money lending services under the name of *Parkson Credit*.

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

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

Notes:

1. Details of the potential conflict of interest (“COI”) situations involving Ms Vivien Cheng are disclosed in the Audit Committee Report on pages 36 to 38 of this Annual Report.
2. Save as disclosed in the Profile of Key Senior Management and Note 1 above, none of the Key Senior Management has (i) any directorship in public companies and listed issuers; (ii) any family relationship with any Director and/or major shareholder of the Company; (iii) any COI or potential COI, including interest in any competing business with the Company or its subsidiaries; and (iv) any conviction for offences within the past 5 years nor any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board is pleased to present the Corporate Governance (“CG”) Overview Statement of the Company for the financial year ended 31 December 2025. This CG Overview Statement is prepared pursuant to the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”).

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

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

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

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

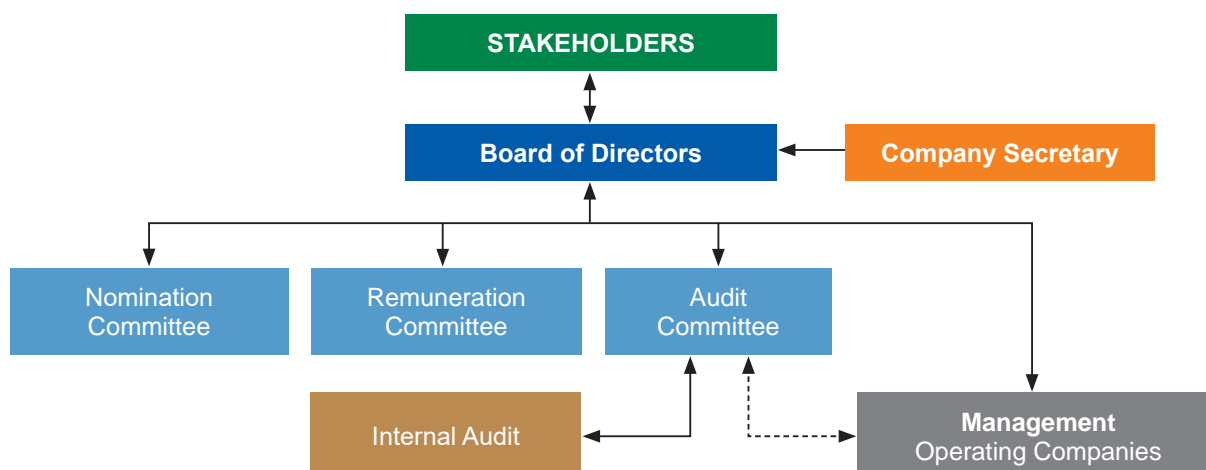
In its deliberation and review of the CG Overview Statement, the Board is satisfied that the practices set out in the MCCG, in all material respects, have been applied to achieve the intended outcomes for the financial year under review except for the following practices:

- Practice 5.9 : The board comprises at least 30% women directors.
- Practice 5.10 : Company’s policy on gender diversity for the board and senior management.
- Practice 8.2 : Disclosure on a named basis, the remuneration of top 5 senior management.

A detailed explanation of how the Company has applied each CG practice as set out in the MCCG, taking into consideration the specific circumstances affecting the Group, including alternative measures taken to achieve the intended outcomes and the explanation for non-adoption of or departure from the abovementioned practices, are available in the CG Report for the financial year ended 31 December 2025.

CORPORATE GOVERNANCE FRAMEWORK

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



BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Responsibilities for Leadership and Meeting Objectives and Goals

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

The Chairman is primarily responsible in ensuring Board effectiveness and leading the Board in its collective oversight of management whereas the Managing Director ("MD") and the Executive Director ("ED") are responsible for day-to-day management of the Group's businesses and operations including the implementation of business plans, strategies and policies. The distinct and separate roles of the Chairman, MD and ED with clear division of responsibilities are set out in the Company's Board Charter. Since November 2025, the positions of Chairman, MD and ED are held by 3 individuals. In line with the recommendation of the MCG, the Chairman is not a member of any Board Committees.

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

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

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

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

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

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

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

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

The Board Charter is subject to review by the Board at least once in every 3 years or as and when the need arises and in tandem with any new or revision of relevant statutory and regulatory requirements impacting the responsibilities and discharge of duties by the Board. The Company's Board Charter which was last reviewed in November 2025 is available on the Company's website.

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

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

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

Commitment to Good Business Conduct and Healthy Corporate Culture

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

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

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

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

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

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

Full details of the Group's commitment to sustainability in the aspects of Economic, Environmental and Social impacts are found in the Sustainability Statement in pages 53 to 78 of this Annual Report.

II. BOARD COMPOSITION

Objectivity in Board Decision-Making

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

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

The MCCG provides that the tenure of an independent Director shall not exceed a cumulative period of 9 years. Upon completion of the 9 years, an independent Director may continue to serve on the Board as a non-independent Director. In the event such Director is to be retained as an independent Director beyond 9 years, the Board must provide justification and obtain Shareholders' approval through a two-tier voting process. None of the independent Directors has served on the Board for a cumulative term of more than 9 years.

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

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

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

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

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

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

Further, the Nomination Committee reviews the roles and responsibilities of a chairman and undertakes the evaluation and assessment process of candidates for appointment of Chairman as set out in the Board Charter and in line with the recommendations under the MCCG.

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

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

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

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

Effectiveness of the Board and Individual Directors

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

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

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

Time Commitment

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

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

Directors' Training

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

All Directors including the newly appointed Director, had attended the Mandatory Accreditation Programme ("MAP") Part I and Part II, as required by Bursa Securities.

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

Newly appointed Directors are required to attend a familiarisation programme which also serves as a platform to establish effective channel of communication and interaction with Management. Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin who was appointed during the financial year, had attended a familiarisation programme where the Company Secretaries had briefed on the statutory and regulatory requirements, and responsibilities as a Director, while key senior management had briefed on the core businesses, operations and financials of the Group.

During the financial year, the Directors had attended the following webinars, seminars, dialogue and other training programmes including the MAP Part II (collectively referred to as the "Programmes") on topics in relation to board leadership and ethics; corporate governance; risk management and internal controls; statutory and regulatory updates and requirements; financial, accounting and taxation knowledge and updates; sustainability covering ESG; fraud and cyber security risks; and artificial intelligence:

Name of Directors	Programme
Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin	<ul style="list-style-type: none"> Lion Group In-House Directors' Training: Intelligent Compliance Conference - Transforming Business with AI, MFRS & Stamp Duty Self-Assessment System
Tan Sri Cheng Heng Jem	<ul style="list-style-type: none"> ICDM – Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Cheng Hui Yen, Natalie	<ul style="list-style-type: none"> Bursa Malaysia & ICDM – The Journey into the AI Age: Game Changer for Your Digital Transformation Era Lion Group In-House Directors' Training: Intelligent Compliance Conference - Transforming Business with AI, MFRS & Stamp Duty Self-Assessment System
Dato' Eow Kwan Hoong	<ul style="list-style-type: none"> Lion Group In-House Online Self-Learning Training – Cybersecurity Awareness Program V2.0. Bursa Malaysia & ICDM – Board Simulation - Balancing Risks & Opportunity in Sustainability Leadership Lion Group In-House Directors' Training: Intelligent Compliance Conference - Transforming Business with AI, MFRS & Stamp Duty Self-Assessment System Securities Commission Malaysia's Audit Oversight Board Conversation with the Audit Committees – Navigating the National Sustainability Reporting Framework: Insights on Implementation

Name of Directors	Programme
Liew Jee Min @ Chong Jee Min	<ul style="list-style-type: none"> • Securities Commission Malaysia – Dialogue Session with PLCs: Advancing Gender Diversity on Corporate Boards • Bursa Malaysia & ICDM – Board Simulation - Balancing Risks & Opportunity in Sustainability Leadership • Lion Group In-House Directors’ Training: Intelligent Compliance Conference - Transforming Business with AI, MFRS & Stamp Duty Self-Assessment System • Lion Group In-House Online Self-Learning Training – Cybersecurity Awareness Program V2.0.
Ooi Kim Lai	<ul style="list-style-type: none"> • PwC’s Indirect Tax Webinar: Exploring the Expanded Scope of Sales Tax and Service Tax • ICDM – Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Grant Thornton Malaysia – Sales Tax Amendments & Service Tax Expansion • Lion Group In-House Online Self-Learning Training – Cybersecurity Awareness Program V2.0. • CeDR Corporate Consulting Sdn Bhd – AI and Digital Wellbeing • Lion Group In-House Directors’ Training: Intelligent Compliance Conference - Transforming Business with AI, MFRS & Stamp Duty Self-Assessment System

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

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

III. REMUNERATION

Level and Composition of Remuneration that Attract and Retain Talents

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

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

Remuneration Factoring in Individual and Company's Performance

Details of the remuneration paid or payable to all Directors of the Company for the financial year ended 31 December 2025 are as follows:

	Fees RM'000	Meeting Allowance RM'000	Salaries & Bonuses ⁽¹⁾ RM'000	Benefits- in-kind RM'000	Total RM'000
The Group					
Executive Directors					
Tan Sri Cheng Heng Jem ⁽²⁾	286	16	2,389	–	2,691
Cheng Hui Yen, Natalie	58	4	495	22	579
Non-executive Directors					
Datuk Seri Utama Raja					
Nong Chik bin					
Dato' Raja Zainal Abidin ⁽³⁾	7	–	–	–	7
Dato' Eow Kwan Hoong	45	12	–	–	57
Liew Jee Min @ Chong Jee Min	50	12	–	–	62
Ooi Kim Lai	45	10	–	–	55
Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat ⁽⁴⁾	41	10	–	–	51
	<u>532</u>	<u>64</u>	<u>2,884</u>	<u>22</u>	<u>3,502</u>
The Company					
Executive Directors					
Tan Sri Cheng Heng Jem ⁽²⁾	47	4	120	–	171
Cheng Hui Yen, Natalie	25	4	–	–	29
Non-executive Directors					
Datuk Seri Utama Raja					
Nong Chik bin					
Dato' Raja Zainal Abidin ⁽³⁾	7	–	–	–	7
Dato' Eow Kwan Hoong	45	12	–	–	57
Liew Jee Min @ Chong Jee Min	50	12	–	–	62
Ooi Kim Lai	45	10	–	–	55
Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat ⁽⁴⁾	41	10	–	–	51
	<u>260</u>	<u>52</u>	<u>120</u>	<u>–</u>	<u>432</u>

Notes:

- (1) The salaries are inclusive of employer's provident fund and social welfare contributions.
(2) Stepped down as Chairman on 27 November 2025.
(3) Appointed as the Chairman on 27 November 2025.
(4) Resigned with effect from 27 November 2025.

EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Effective and Independent Audit Committee

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

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

Following the resignation of an independent Director in the fourth quarter of the financial year, he had also relinquished the position as a member of the Audit Committee. Consequently, the Audit Committee comprises 3 members, 2 of whom are independent Directors and all 3 members are financially literate. The Chairman of the Audit Committee is elected among the members of the Committee who is not the Chairman of the Board. The Terms of Reference and the main works undertaken by the Audit Committee for the financial year under review are set out in the Audit Committee Report on pages xx to xx of this Annual Report.

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

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

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

An overview of the Board's responsibility, the state and descriptions of the key components of the Group's system of internal control which include the conduct of reviews by the Internal Audit Function, risk management and compliance management are set out in the Statement on Risk Management and Internal Control on pages 24 to 33 of this Annual Report.

Effectiveness of Governance, Risk Management and Internal Control System

The Board has established an Internal Audit Function within the Group to provide assurance on the effectiveness of risk, control, anti-corruption, whistleblowing and governance processes. Oversight of the Internal Audit Function is delegated to the Audit Committee to ensure that there are sufficient resources and internal audits are carried out objectively, effectively and independently. The Internal Audit Function is led by the Group Chief Internal Auditor (“CIA”) who reports directly to the Audit Committee. As the position of the Group Chief Internal Auditor was vacant during the financial year, a Senior Manager from the Group Management Audit Department was representing the Internal Audit Function. A new Group CIA was appointed in January 2026. The Internal Auditors attend all meetings of the Audit Committee. The Audit Committee's review of the scope of work, budget, reports by the Internal Audit Function and the detailed description of the Internal Audit Function are provided in the Audit Committee Report on pages 34 to 41 of this Annual Report.

The Internal Audit Function discharges its duties in accordance with internationally recognised framework and guidelines as described on page 27 in the Statement on Risk Management and Internal Control and pages 35 and 38 in the Audit Committee Report of this Annual Report.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

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

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

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

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

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

II. CONDUCT OF GENERAL MEETINGS

Participation by Shareholders and Informed Voting Decisions

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

The annual general meetings and other meetings of Shareholders are the principal forum for dialogue with Shareholders. Shareholders are given sufficient time and provided with an opportunity to participate in the question and answer session at which Shareholders may raise questions regarding the proposed resolutions at the said meetings as well as on matters relating to the Group's financial and non-financial performance, long-term strategies, businesses and affairs. The Shareholders may also pose questions prior to the meetings via email. The Chairman, the Board members, Senior Management as well as the External Auditors are in attendance at the meetings to respond to Shareholders' queries. The Chairman also shares with the Shareholders, the Company's responses to questions submitted in advance of the annual general meetings by the Minority Shareholders Watch Group and ensures that meaningful responses are provided to relevant questions posed by the Shareholders. Minutes of the general meetings of the Company are made available on the Company's website within 30 business days after the meetings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“Board”) acknowledges its overall responsibility for maintaining a sound system of risk management and internal control (“RMIC”) and for reviewing its adequacy and effectiveness in safeguarding the interests of stakeholders (including shareholders’ investments) and the Group’s assets. The Board is pleased to present the Statement on Risk Management and Internal Control (“Statement”) of the Group covering key subsidiaries, which outlines the nature and scope of its internal control and risk management during the financial year under review.

This Statement has been prepared in accordance with the requirements of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Listing Requirements”), the Statement on Risk Management and Internal Control Guide 2025 (“SORMIC Guide 2025”), the Corporate Governance Guide (4th Edition), the Malaysian Code on Corporate Governance 2021 and the Audit and Assurance Practice Guide 3 (“AAPG 3”) issued by the Malaysian Institute of Accountants (“MIA”).

The Statement outlines the governance framework and processes established by the Board to ensure the adequacy and effectiveness of the Group’s RMIC systems. It also describes the mechanisms for which the Board, supported by its committees and assurance functions, maintains effective oversight of the Group’s governance, risk and control environment.

Board Responsibility and Oversight

The Board affirms its responsibility for the Group’s overall risk management and internal control framework. This includes establishing appropriate governance and organisational structures, defining the Group’s risk appetite, strategic direction and control environment; ensuring that management identifies and manages key and emerging risks; and reviewing the adequacy and effectiveness of the internal control system on an ongoing basis.

To assist in fulfilling its oversight responsibilities, the Board is supported by the Audit Committee (“AC”) which provides oversight on governance, risk management and internal control processes across the Group. The AC ensures that these processes remain robust, effective and aligned with the Group’s strategic objectives and regulatory expectations, in accordance with the principles outlined in SORMIC 2025.

The AC is further supported by the Group Internal Audit (“GIA”) and Group Risk Management and Compliance (“GRC”) functions, both of which operate independently to provide objective assurance and continuous monitoring of the adequacy and effectiveness of the Group’s risk management and internal control aspect.

- GIA performs independent reviews and evaluations on the design and operational effectiveness of the internal control systems, ensuring that key risks are properly identified, managed and mitigated.
- GRC facilitates the implementation and continuous enhancement of the enterprise-wide risk management framework, promotes a culture of risk awareness and compliance, and ensures adherence to applicable laws, regulations and internal policies.

Both GIA and GRC report directly to the AC and provide regular updates on risk exposures, control effectiveness and compliance matters. The Chairman of the AC thereafter briefs the Board members on the proceedings of the AC meetings including highlighting any material matters on internal control or risk management that warrant the Board’s attention. Minutes of the AC meetings which recorded these deliberations are also presented to the Board for notation.

Key Components of RMIC System

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

1. Integrity and Ethical Values

- A Code of Business Ethics and Conduct ("CoBEC") which sets out the principles to guide Directors' and employees' conduct to the highest standards of personal and corporate integrity. The CoBEC covers areas such as conflict of interest, use of company assets, confidentiality of proprietary information, acceptance of gifts and business courtesies, prohibition of kickbacks as well as provisions which cover personal data protection, competition, anti-money laundering and anti-terrorism financing.
- A groupwide integrity framework which accentuates the Group's commitment to uphold integrity in all manner of conduct by its employees at all times in their interaction with various stakeholders, both internal and external. This framework includes Integrity and Fraud Risk Policy which interphases with many of the existing policies adopted within the Group and also addresses fraud reporting and investigation.
- An Anti-Bribery and Corruption Policy ("ABC Policy") which reflects the Group's stand of zero tolerance against all forms of bribery, fraud and corruption, and its commitment to lawful and ethical conduct at all times. The ABC Policy elaborates on the Group's core principles set out in the CoBEC and the Employee Code of Conduct, providing information and guidance to all directors, employees and other stakeholders of the Group concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.
- Annual e-declarations on Conflict of Interest and acknowledgement on the understanding and compliance with the ABC Policy among executive employees being part of the Group's effort in creating awareness and ensuring that the employees understand, observe and uphold high integrity and ethical values in all their business dealings.
- Pursuant to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 which imposes corporate liability on companies for the corrupt practices of its employees and/or any person associated with the companies in cases where such corrupt practices are carried out for the companies' benefit or advantage, the Group had conducted a series of trainings and workshops to brief employees on the adequate procedures (as per guidelines issued under MACC Act 2009) that had been put in place and to equip them with the required understanding of their duties, responsibilities and obligations under this section. The Board and the Management will continue to strengthen the adequate procedures to prevent acts of corruption related to the organisation.

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

2. Authority and Responsibility

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

- The Board recognises that prudent risk management is essential to achieving the Group's strategic objectives and sustaining long-term value for stakeholders, and it defines the Group's risk appetite as the level and type of risk that the Group is willing to accept in pursuit of its strategic and operational goals. This definition takes into account the Group's business model, market conditions, stakeholder expectations and applicable regulatory requirements. The Group's risk appetite had been established and subject to be periodically reviewed to ensure continued alignment with its strategic direction, changing business environment and emerging risk landscape.
- The Board delegates to the Managing Director ("MD") and the Executive Director ("ED"), the authority and powers of executive management of the Company and its businesses within levels of authority specified from time to time. The MD and the ED may delegate aspects of their authority and powers but remain accountable to the Board for the Company's performance and are required to report regularly to the Board on the progress being made by the Company's business units and operations. Delegation of responsibilities and accountability by the MD and the ED further down the structure of the Group is communicated and formalised via respective operational structure and organisational chart as well as the authority matrix.
- Board Committees which are guided by respective Terms of Reference were set up to fulfil certain responsibilities delegated by the Board. These Committees assist the Board in promoting governance and accountability as well as overseeing internal controls, Board effectiveness, and nomination and remuneration of Directors and key positions:
 - Audit Committee
 - Nomination Committee
 - Remuneration Committee
- The Management of each operating company is responsible and accountable to the Senior Management, MD, ED and the Board for implementing the frameworks, policies and procedures on risk and internal control as approved or directed by the Board.

3. Organisation Structure

- An operational structure and organisational chart which defines the lines of responsibility and delegation of authority together with a hierarchical structure of reporting and accountability.
- The authority matrix outlines the decision areas and the persons empowered to requisite, authorise and approve the expenditure/commitment. Delegated authority carries with it the obligation to exercise sound judgement, good business sense and accountability.

4. Frameworks, Policies and Procedures

- A set of Group level internal policies and procedures which is maintained centrally and accessible to employees via the intranet. The policies and procedures at both Group level and business or operational level are regularly reviewed for updates to resolve operational deficiencies and to meet new compliance requirements. Enhancement efforts to streamline local policies, guidelines or procedures at business or operational level to key Group Policies and Procedures are continuing.
- A Group Procurement Framework which provides a fairly standardised, uniform and consistent set of controls by promoting accountability, ownership and transparency. This increases the ability of the Group to develop a pool of reliable and competent vendors through proper governance, selection of appropriate procurement methods and vendor management.
- A Group Personal Data Protection Compliance Framework which provides guidelines on implementation of controls in business and operations processes in meeting the requirements of data protection principles of Personal Data Protection Act 2010.

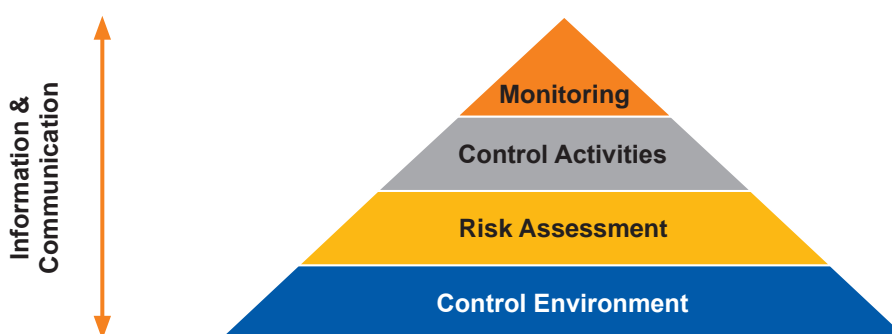
- Other key policies such as Competition Policy and Sexual Harassment Policy which complement the Group's CoBEC and ABC Policy. These policies direct the employees to behave ethically and professionally in ensuring compliance with relevant laws and creation of a conducive working environment.
- A Group Sustainability Policy that outlines the Group's commitment to responsible and sustainable business practices across its operations. The Policy provides a framework for managing material environmental, social and governance (ESG) matters, integrating sustainability considerations into strategic planning, risk management and daily operations.

5. Planning, Monitoring and Reporting

- An annual exercise involving all business units to prepare a comprehensive budget and business plan which includes development of business strategies and the establishment of key performance indicators against which the overall performance of the companies within the Group can be measured and evaluated.
- Review of key business variables and the monitoring of the achievements of the Group's performance on a quarterly basis by the Board and the AC.

6. Internal Audit

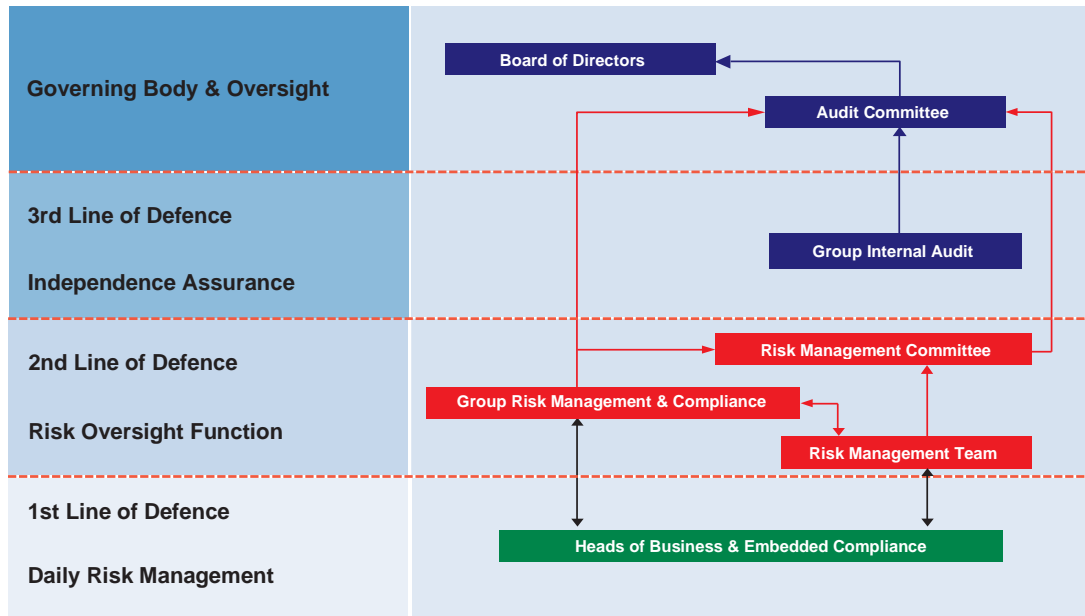
- Internal Audit Charter that is approved by the AC articulates the purpose, responsibility and authority of the GIA function as well as the nature of assurance activities provided by the function.
- Annual Audit Plan that is approved by the AC provides a basis for audit engagements which also considers feedback from the Management. The GIA adopts a risk-based audit approach, assesses the selected areas within the audit scope for risk exposures, compliance with approved policies and procedures, adherence to relevant laws and regulations and where applicable, benchmarking against industry best practices.
- The GIA reviews business processes and internal control and risk management system, submitting reports to the AC quarterly. The GIA also conducts follow-up reviews to ensure effective implementation of internal audit recommendations.
- Confirmation of the effectiveness of internal control and risk assessment process by the respective Heads of OC and Heads of Accounts and Finance of the OC (on financial related matters) through the signing off of the Risk Management and Internal Control – Self-Assessment Questionnaire ("RMIC- SAQ") on an annual basis.
- The GIA assesses and reports on the adequacy and effectiveness of the Group's governance, risk management, and internal control systems in accordance with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework. The following 5 inter-related COSO components are considered during the assessment:



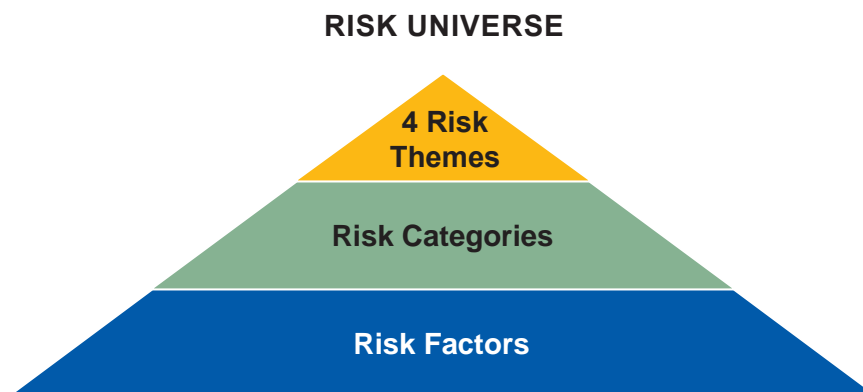
7. Risk Management

- The Group has in place a risk management framework, Enterprise Risk Management (“ERM”) Framework that is modelled after the widely adopted standard ISO31000 Risk Management – Principles and Guidelines to guide the implementation of a consistent risk management practices across the Group by both the Board and the Management. It recognises that risks are inherent in businesses and views them within the context of risk as an opportunity, uncertainty or hazard. The framework also incorporates sustainability and climate-related risks, cybersecurity risks and other emerging risks to ensure resilience and long-term value creation.
- The ERM Framework provides guidelines on risk governance, risk management process, risk reporting and generic tools to be used by the Group. The design of the risk governance structure therein is premised on a 3 lines of defence model with clear functional responsibilities and accountabilities for the management of risk:
 - The first line of defence under the framework is found at the OCs level where the Head of each OC assumes the overall accountability for the respective OCs’ risk management implementation. Each OC’s Heads of department would provide support to the Head of OC and supervision of risk management practices in key processes under their respective areas of responsibilities. The Heads of OC, in their half-yearly updates and reporting of respective CPS and Corporate Risk Scorecard (“CRS”), provided confirmation that the risk management process with regard to identification of material issues together with relevant controls and management actions have been adequately complied with.
 - The second line of defence provides oversight function via the establishment and roles vested in the OC’s Risk Management Team (“RMT”) and Risk Management Committee (“RMC”) both of which are supported by the GRC department. The RMTs monitored and reported their Key Performance Indicators via the CPS and identified, analysed and reported risks to the RMC and AC via the CRS. The GRC provides the reporting templates, updated tools, maintenance of Q-Radar system and facilitation or review of OC’s scorecards development or updates with OCs’ risk representatives. The RMC receives and reviews the scorecards reports from OCs together with the AC.
 - The third line of defence is realised through the provision of objective and independent challenge by GIA with regard to the level of assurance as provided by business operations and oversight functions.
 - The Board, through the deliberations and recommendations of the AC, serve as the Group’s Governing Body, providing oversight on the effectiveness of governance, risk management and internal controls.

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



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



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

8. Compliance Management

- Half-yearly Compliance Risk Self-Assessment (CRSA) exercises with mitigations identified to address breaches or material non-compliances.
- Joint review of existing operational practices and selected policies or procedures for possible and appropriate control enhancements. Such exercises may result in revisions of relevant policies or procedures, new policies or procedures, introduction of control tools such as standard templates/forms and even development of special purpose automated processes.
- A compliance programme reviewed by the AC on an annual basis addressing key compliance areas of statutory and regulatory requirements, codes and internal ethics/standards/policies and procedures. The results and status of the compliance programme were reported by the Compliance Function on a half-yearly basis to the Compliance Committee to monitor and address ongoing changes and implementations in the legislative and regulatory requirements affecting the Group.

9. Safety and Crisis Management

- The Group is committed to ensuring a safe, healthy and conducive working environment across all operations, in line with our values of care, responsibility and integrity. We recognize that the well-being of our employees and stakeholders is essential to sustainable business performance.
- The OSH Committee plays a key role in promoting safety and health awareness, identifying potential risks and recommending preventive measures to protect employees' safety, health, and welfare. It also continuously communicating with operating companies, recommending precautionary measures to ensure compliance with the Occupational Safety and Health Act and addresses potential risks through continuous communication and monitoring.
- The Group has also established an action plan in the Group's Human Resource – Occupational Safety and Health Act (HR-OSHA) Manual & Guidelines to manage emergencies such as fire, blackout, bomb threat, earthquake, civil disorder, ensuring preparedness and business continuity. All department stores also participate in annual fire drills organized by respective mall managements.
- The department stores under the Group also join in the yearly fire drill exercises organised by the various mall management.
- The Group continues to prioritise a safe and healthy workplace for all employees and other stakeholders namely, customers, suppliers, business associates and the general public who visit our department stores.

The following preventive measures have been implemented:

- (i) Standard Operating Procedures ("SOPs") on safe work procedures communicated to all employees;
 - (ii) Established Emergency Response Team (ERT) with SOPs to handle health-related emergencies;
 - (iii) SOPs for working at and undertaking construction/renovation works; and
 - (iv) Department stores comply with all SOPs stipulated by the National Security Council (MKN).
- At the Group level, the Issue Management and Communication Policy under the Corporate Communications Function ensures effective handling of internal and external communications in the event of any issue, crisis, or disaster.

10. Information and Communication Technology

- A quarterly IT Steering Committee meeting is held where all IT Managers from various operating companies meet. It is a platform which enables collaboration among the operating companies, sharing of experiences and consolidation of standard IT platforms.
- A set of Group IT Policies and Guidelines is in place to govern the operations of IT within the Group. Due to the diversity of businesses, each operating company has its own set of IT Policy adopting the standard Group IT Policy wherever possible and adding policies that are peculiar to the business they are in.
- The Group Human Resources Management System runs off a cloud infrastructure where a single system is used across the Lion Group of Companies. Cloud infrastructure is hosted offsite to protect the sensitivity of data and is supported by a hot Disaster Recovery site to enable quick recovery of data in the event of any unforeseen incident. An annual Disaster Recovery test is carried out to ensure service quality as per agreed service level agreement.
- As part of Lion Group's Cyber Security strategy to mitigate cyber security risks and threats, Group IT had provided and shall continue to provide Cyber Security Awareness and related initiatives to educate employees with the objective of safeguarding our businesses and employees.
- The Group recognizes that a capable and future-ready IT workforce is essential to supporting ongoing growth and transformation. Group IT prioritizes continuous learning and development through regular training and knowledge-sharing initiatives, strengthening core technical competencies across key knowledge areas.

11. Insurance

- An insurance programme to safeguard major assets against financial loss resulting from property damage, machinery breakdown, business interruption and general liability, which is reviewed annually.
- A yearly exercise to ensure the adequacy and renewal of the Group's Directors' and Officers' Liability insurance.

12. Whistleblowing

- A Whistleblower Policy which provides the channels to report wrongdoings by employees and/or other stakeholders whilst ensuring the integrity of the process and information and also protecting the rights of informants. The implementation of this policy enables the Group to address such concerns that may adversely affect the reputation and interests of the Group more effectively.
- The oversight by the Board and its engagement with the Management in the handling of reported wrongdoings are also set out in the Integrity and Fraud Risk Policy.

Risk Management Process

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

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

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

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

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

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

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

Board Assurance on Adequacy and Effectiveness of RMIC Systems

The Board, through the AC had reviewed the adequacy and effectiveness of the Group's risk management and internal control systems for the financial year ended 31 December 2025 and up to the date of approval of this Statement. The Board confirmed the processes were in place.

This review was supported by the following sources of assurance:

- Reports from the GIA and GRC functions which provided independent assessments of the design and operating effectiveness of the controls in place;
- Annual confirmations by the respective Heads of OC and Heads of Accounts and Finance of the OC (on financial related matters) through the RMIC-SAQ, affirming compliance with the Group's internal control framework and risk management procedures; and
- The External Auditors' limited assurance review, conducted in accordance with the AAPG 3 issued by the MIA.

Continuous Improvement

The Board remains committed to strengthening the Group's overall governance, risk management and internal control environment through continuous improvement initiatives. Key focus areas include:

- Integration of sustainability and climate-related risk considerations into the Group's strategic planning, decision-making and risk assessment processes;
- Enhancement of digital resilience and data protection controls with emphasis on cybersecurity readiness and incident response capabilities;
- Strengthening of compliance and ethical culture through targeted training, leadership accountability, and reinforcement of tone-from-the-top; and
- Ongoing refinement of ERM tools, methodologies and analytics to enhance risk visibility, data-driven insights and informed decision-making.

These continuous improvement efforts reflect the Board's commitment to sustaining a robust, forward-looking, and resilient risk management and internal control framework that supports the Group's long-term value creation and enhances stakeholder confidence.

Conclusion

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

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

Review by External Auditors

The External Auditors have performed limited assurance procedures on this Statement pursuant to the scopes set out in the Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by MIA for inclusion in the Annual Report of the Group for the financial year ended 31 December 2025, and reported to the Board that nothing has come to their attention that has caused them to believe the Statement intended to be included in the Annual Report has not been prepared, in all material respects, in accordance with the disclosures of the SORMIC Guide 2025, Corporate Disclosure Guide, Listing Requirements and Corporate Governance Guide, nor is the Statement factually inaccurate.

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

AUDIT COMMITTEE REPORT

The Audit Committee of Parkson Holdings Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2025.

COMPOSITION

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

- **Members**

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

Y. Bhg. Dato' Eow Kwan Hoong
(Independent Non-Executive Director)

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

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

- **Secretaries**

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

MEMBERSHIP

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

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

MEETINGS AND MINUTES

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

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

TERMS OF REFERENCE

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

ACTIVITIES FOR THE FINANCIAL YEAR

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

The Chief Accountant was present at all the Meetings. As the position of the Group Chief Internal Auditor was vacant during the financial year, a Senior Manager from the Group Management Audit Department attended the Audit Committee Meetings, representing the Internal Audit Function. A new Group Chief Internal Auditor was appointed in January 2026.

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

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

- **Financial Results**

Reviewed the quarterly interim unaudited financial statements and the annual audited financial statements of the Group prior to submission to the Board for its consideration and approval focusing particularly on changes in or implementation of material accounting policies and compliance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, provisions of the Companies Act 2016 and requirements under the Listing Requirements; significant matters highlighted including financial reporting matters, significant transactions and judgements made by Management; and main factors contributing to the financial performance of the Group in terms of revenue and earnings.

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

- **Internal Audit**

- (a) Reviewed and approved the annual audit plan to ensure adequate scope and coverage on the activities of the Group, taking into consideration the assessment of key risk areas and ensured that key and high risk areas were audited annually.
- (b) Reviewed the effectiveness of audit programmes, and the adequacy and suitability of the resource requirements and skill levels of the Internal Auditors for the financial year and assessed the performance of the Internal Audit Function.
- (c) Reviewed the internal audit reports, audit recommendations made and Management's response and actions taken to improve the system of internal control and procedures. Where appropriate, the Audit Committee had directed Management to rectify and improve control procedures and workflow processes based on the Internal Auditors' recommendations and suggestions for improvement.

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

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

- (f) Reviewed the quarterly reports on situations of conflict of interest (“COI”), potential COI and interest in competing business involving the Directors and Key Senior Management that arose or persist in addition to those that may arise; and the measures taken to resolve, eliminate, or mitigate such conflicts.

The Code of Business Ethics and Conduct of the Group includes disclosure requirements on COI and potential COI by employees, Directors and Key Senior Management. The Group has in place (i) processes and procedures to mandate the Directors and Key Senior Management encountering a situation of COI to disclose the nature, extent and scope of the conflict as and when any such conflicts arise in addition to submitting their COI Declaration annually; and (ii) measures to resolve, eliminate, or mitigate COI and potential COI situations which include:

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

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

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

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

Business of the Group	Nature and Extent of Interest	Potential COI and Measures taken to mitigate
<p>Retail businesses, e.g. cosmetic and related products, fashionable goods, food and beverage, etc. and operation of department stores.</p>	<ul style="list-style-type: none"> • TSWC's spouse, Y. Bhg. Puan Sri Chan Chau Ha @ Chan Chow Har ("PSC") who is the Senior Adviser of Parkson Malaysia, is a director of a company specialising in the distribution and retailing of Korean skincare products ("KSC Company"). 	<p>The KSC Company engages in the distribution and retailing of Korean skincare products primarily through consignment arrangements at department stores, including Parkson stores.</p> <p>All business decisions involving related party are subject to review and approval by an independent authorised personnel member. This process ensures transparency and integrity in decision-making.</p>
	<ul style="list-style-type: none"> • TSWC's spouse and daughter, Ms Serena Cheng, are directors and shareholders holding 100% equity interest in a food and beverage ("F&B") company ("F&B Company") in which TSWC has a substantial deemed interest. 	<p>The F&B Company operates a café within a Parkson store as part of its F&B segment. This arrangement may give rise to potential COI, particularly regarding the ability to secure favourable business terms within the store.</p> <p>To address this concern, all business agreements were subject to review and approval by an independent authorised personnel member to ensure compliance with stringent governance protocols, thereby mitigating the risk of any potential COI.</p> <p>Nevertheless, the F&B Company had ceased operations in November 2025.</p>

- (2) Ms Cheng Hui Yen, Natalie, the Executive Director of the Company and the Merchandising Director of Parkson Malaysia, is also the daughter of TSWC and PSC, and sister of Ms Serena Cheng and Ms Cheng Hui Yuen, Vivien.

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

Due to the family relationship of Ms Natalie Cheng and Ms Vivien Cheng, potential COI may occur in the companies disclosed by TSWC in item (1) above.

- (3) Mr Liew Jee Min @ Chong Jee Min, an independent non-executive Director of the Company, also serves as the independent non-executive Chairman of a company principally engaged in 2 core business segments, namely manufacturing, distribution and trading of gloves, and manufacturing of in-vitro diagnostic medical devices ("GMD Company"). A wholly-owned subsidiary of the GMD Company which is engaged in property investment, owns 20% equity interest in a company involved in property leasing, parking space and mall management ("LPPM Company"). Certain subsidiaries of the Company had entered into tenancy arrangements with the LPPM Company.

These relationships may give rise to potential COI, particularly in relation to the decisions on whether the subsidiaries of the Company should pursue business opportunities at the shopping mall owned by the LPPM Company, and the ability to secure favourable tenancy terms.

Mr Chong had declared his interests, and had abstained or will continue to abstain from all related deliberations and voting (where required) in relation to the tenancy arrangements and any future tenancy arrangements. He was not involved in the negotiations or management of the tenancy arrangements. All such transactions are conducted on normal commercial terms and are in the best interests of the Group, and had been reviewed and approved by the other directors who are free from any interest in the transactions.

- (g) Reviewed the Sustainability Statement together with the Statement of Assurance issued by the Internal Auditors, before recommending the same for Board's approval for inclusion in the Annual Report.
- (h) Reviewed the results of investigative audit reports on internal misconduct and irregularities within the Group and ensured appropriate remedial actions/measures were taken.
- (i) Reviewed the Statement on Risk Management and Internal Control which provided an overview of the state of internal controls within the Group prior to the Board's approval for inclusion in the Annual Report. The Statement on Risk Management and Internal Control which had been reviewed by the External Auditors is set out on pages 24 to 33 of this Annual Report.

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

- (j) Reviewed the Group Compliance Framework for the financial year under review with regard to the scope of activities and their progress as set out in the Compliance Program/Work Plan for the financial year.
- (k) Approved an annual budget for the Internal Audit Function to effectively carry out its audit plan.
- (l) Approved the Audit Committee Report and recommended the same for Board's approval for inclusion in the Annual Report.

- **External Audit**

- (a) Reviewed and discussed with External Auditors the audit planning memorandum covering the audit objectives and approach, audit plan, key audit areas and relevant technical pronouncements and accounting standards issued by the Malaysian Accounting Standards Board, and regulating requirements applicable to the Group; and the processes and controls in place to ensure effective and efficient financial reporting and disclosures under the financial reporting standards.
- (b) Reviewed and discussed with External Auditors the results of the audit and the audit report in particular, significant accounting matters arising from the external audit and their opinion on the financial statements of the Group and of the Company.
- (c) Reviewed with External Auditors the memorandum of comments and recommendations arising from their study and evaluation of the system of internal and accounting controls together with Management's response to the findings of the External Auditors and ensured where appropriate, that necessary corrective actions had been taken by Management.
- (d) Evaluated the performance and assessed the suitability, objectivity and independence of the External Auditors during the financial year taking into consideration information presented in the Annual Transparency Report published by the External Auditors, in accordance with the policies and procedures in place, vide a set of questionnaires covering the calibre of the external audit firm; quality of processes and performance; skills and expertise including industrial knowledge; independence and objectivity; audit scope and planning; audit fees; and their communications with the Audit Committee.

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

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

- (e) Reviewed and approved the non-audit fees in respect of services rendered by the External Auditors.
- (f) Met with the External Auditors without executive Board members and Management twice to discuss matters in relation to their audit planning and audit review of the financial results.

- **Compliance Management**

- (a) Conformance to Group policies and procedures

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

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

- **Risk Management**

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

- Monitored the progress on the achievement of targets set for business objectives of OCs for the financial year via review of the Corporate Performance Scorecards updates on a half-yearly basis. The Audit Committee sought explanation/understanding from the Risk Management Team (“RMT”) of OCs on non-performance.
- Reviewed the key risks as reported by the RMTs in their Corporate Risk Scorecards across the wide spectrum of risk facing the businesses and operations which included strategic risk, business risk, financial risk and operational risk. The Audit Committee provided comments on the adequacy and effectiveness of controls and/or management actions identified and/or implemented by the OCs in addressing the identified risks.

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

- **Related Party Transactions**

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

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

INTERNAL AUDIT FUNCTION

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

As the position of the Group Chief Internal Auditor was vacant during the financial year, a Senior Manager from the GMA Department was carrying out relevant internal audit functions and overseeing audit assignments. Mr Tan Chee Hooi was appointed by the Audit Committee as the Group Chief Internal Auditor in January 2026. Mr Tan is a Certified Internal Auditor and a Professional Member of The Institute of Internal Auditors Malaysia. He holds a Master of Business Administration and a Bachelor’s Degree in Mechanical Engineering, and has over 17 years of working experience, including more than 10 years in internal audit and business process analysis across industries such as retail, manufacturing, property development, hospitality, and fast-moving consumer goods. As part of his working experience, he was with KPMG Malaysia as an Associate Director, where he further strengthened his exposure to governance, risk management and compliance practices.

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

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

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

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

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

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

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

The Internal Auditors are updated on the improvement and development in internal auditing standards, procedures, techniques, corporate governance and the Listing Requirements through the attendance of seminars and talks organised by The Institute of Internal Auditors Malaysia, the Malaysian Institute of Accountants, Bursa Malaysia Berhad and the Securities Commission Malaysia as well as core competency courses organised by professional training institutions. The Audit Committee was also satisfied that pending the appointment of the new Group Chief Internal Auditor during the financial year, the Internal Audit Function was adequately overseen by a Senior Manager on an interim basis. Nevertheless, the Internal Audit Function, which is now led by the new Group Chief Internal Auditor and backed by 8 staff at the managerial and executive levels who possess the relevant qualifications and experience, has adequate resources to fulfil the internal audit plan for the next financial year.

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

The total cost incurred in managing the Internal Audit Function of the Group for the financial year was RM276,359.

NOMINATION COMMITTEE

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

Members : Y. Bhg. Dato' Eow Kwan Hoong
(Independent Non-Executive Director)

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

Terms of Reference : 1. To consider and recommend to the Board, candidates for directorships in the Company.

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

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

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

3. To recommend to the Board, Directors to fill the seats on Board Committees.
4. To assist the Board in reviewing on an annual basis, the composition, the required mix of skills, knowledge, experience, diversity and other qualities, including core competencies which each individual Director including the independent non-executive Director should bring to the Board, to enable the Board to function effectively, and strengthen board leadership and oversight of sustainability issues.
5. To establish and implement processes to assess, on an annual basis, the effectiveness of the Board as a whole and the committees of the Board; the independence of the independent Directors; the contribution of each individual Director; and the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their Terms of Reference, based on the process and procedure laid out by the Board.
6. To recommend to the Board:
- (a) the re-election of those Directors who are retiring at an annual general meeting ("AGM") of the Company and to put forward their re-election for approval at the AGM; and
 - (b) the continued retention of any independent non-executive Director who has served for a cumulative period of more than 9 years as an independent non-executive Director or otherwise. Any retention of an independent Director who has served a cumulative period of 9 years shall be subject to Shareholders' approval in line with the recommendation of the Malaysian Code on Corporate Governance. Notwithstanding, the tenure of an independent Director shall not exceed a cumulative period of more than 12 years.
7. To review the induction and training needs of Directors.
8. To consider other matters as referred to the Committee by the Board from time to time.

NOMINATION COMMITTEE REPORT

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

Appointment to the Board and the Effectiveness of the Board

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

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

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

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

Activities of the Nomination Committee for the Financial Year

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

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

- (i) Assessed and recommended for Board's consideration, (a) the appointment of Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin as an independent non-executive Director of the Company and the Chairman of the Board to succeed Y. Bhg. Tan Sri Cheng Heng Jem who had stepped down as the Chairman but continues to serve as the Managing Director of the Company; and (b) the appointment of Mr Ooi Kim Lai as a member of the Remuneration Committee of the Company.
- (ii) Reviewed and assessed the performance and the effectiveness of the Board as a whole, the Board Committees, the independence of the independent Directors as well as the contribution of each individual Directors and Audit Committee members based on the broad fit and proper, and independence criteria as set out in the Directors' Fit and Proper Policy using a set of quantitative and qualitative performance evaluation forms adopted by the Nomination Committee, and was satisfied that (a) the Board composition in term of size, mix of competencies and diversity representation and the balance between executive, non-executive and independent Directors was adequate and in line with the Group's business operations and needs; and (b) the Board as a whole and the Board Committees had discharged their duties and responsibilities effectively at all times. The Nomination Committee was also satisfied with the level of independence of the independent non-executive Directors who have displayed independent judgement, and their ability to act in the best interests of the Company and the minority shareholders of the Company.

- (iii) Reviewed the term of office and performance of the Audit Committee as a whole and each of its members including an assessment of their financial literacy, and assessed and evaluated the effectiveness of the Audit Committee in conducting its activities in accordance with its Terms of Reference, and was satisfied that the Audit Committee and its members had carried out their duties effectively and were financially literate and able to understand matters under the purview of the Audit Committee including financial reporting process.
- (iv) Reviewed the retirement by rotation of Y. Bhg. Tan Sri Cheng Heng Jem and Mr Ooi Kim Lai, and having satisfied that they had discharged their duties and responsibilities effectively at all times, recommended their re-election for Board's consideration.

Considered and was of the view that it is fair to recommend for Board's consideration, the re-election of Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin who was appointed during the financial year and is subject to retire at the 42nd Annual General Meeting of the Company ("42nd AGM") in accordance with the Constitution of the Company.

All re-election of Directors shall be tabled for approval of the Shareholders at the 42nd AGM.

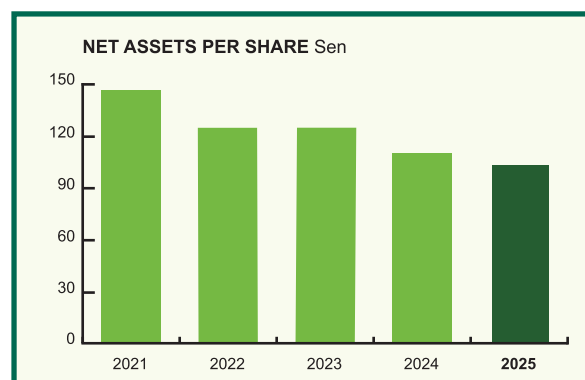
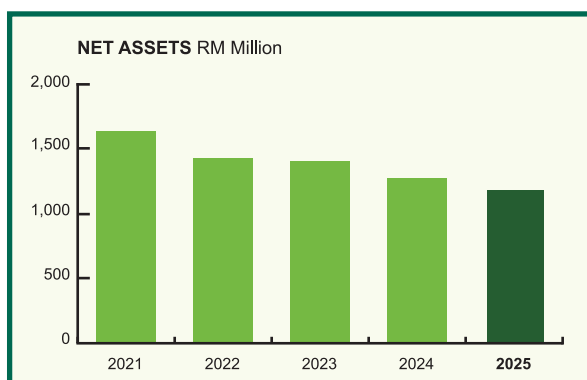
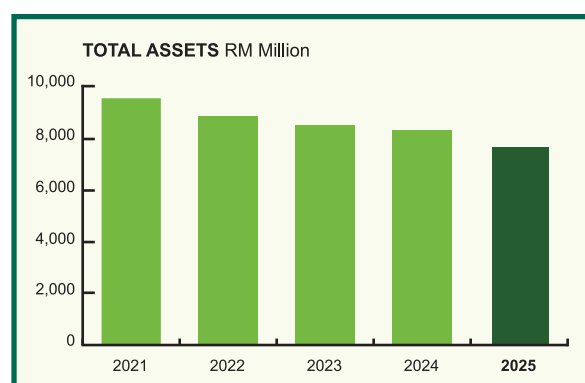
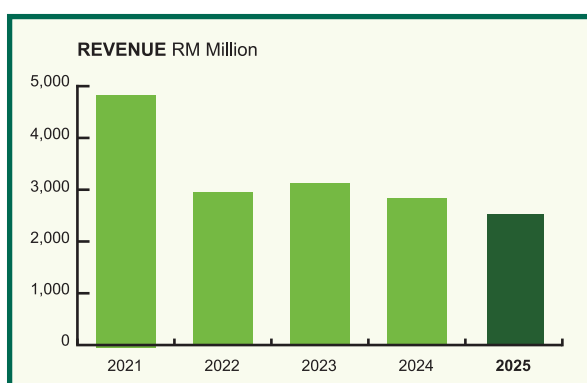
- (v) Reviewed the training needs of the Directors and was satisfied that the Directors having attended the relevant training programmes and having been updated with market developments and relevant requirements through Board discussion meetings with Management and by email communication, and apprised on a continuing basis by the Company Secretaries on new and/or revised regulatory and statutory requirements, had adequately met the training needs of each of the Directors towards enhancing their skills and knowledge in discharging their duties and roles as a Director.
- (vi) Approved and recommended for Board's consideration the Nomination Committee Report incorporating the Nomination Committee's activities for inclusion in the 2025 Annual Report.

REMUNERATION COMMITTEE

- Chairman** : Mr Liew Jee Min @ Chong Jee Min
(Independent Non-Executive Director)
- Members** : Y. Bhg. Dato' Eow Kwan Hoong
(Independent Non-Executive Director)
- Mr Ooi Kim Lai
(Appointed on 27 November 2025)
(Non-Independent Non-Executive Director)
- Terms of Reference** :
- To recommend to the Board, the remuneration of the executive Directors in all its forms, drawing from outside advice as necessary.
 - To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

5 YEARS GROUP FINANCIAL HIGHLIGHTS

Financial years/period		18 months ended 31 December 2021	12 months ended 31 December			
			2022	2023	2024	2025
Gross sales proceeds	(RM'000)	11,715,225	7,046,841	7,370,013	6,478,044	5,529,391
Revenue	(RM'000)	4,845,309	2,922,581	3,125,907	2,805,074	2,535,899
Profit/(loss) before tax	(RM'000)	(30,596)	(161,473)	100,435	(72,214)	(7,485)
Profit/(loss) after tax	(RM'000)	(129,931)	(192,243)	28,928	(127,189)	(74,573)
Net loss attributable to owners of the parent	(RM'000)	(101,800)	(109,665)	(19,186)	(102,028)	(41,466)
Total assets	(RM'000)	9,544,301	8,859,509	8,525,947	8,317,857	7,734,865
Net assets	(RM'000)	1,644,742	1,438,464	1,435,353	1,280,888	1,192,781
Total borrowings	(RM'000)	1,390,235	1,738,850	1,739,945	1,827,646	1,778,153
Loss per share	(Sen)	(9.5)	(9.6)	(1.7)	(8.9)	(3.6)
Net assets per share	(Sen)	147	125	125	111	104



THE GROUP'S BUSINESSES



- Parkson Sentra Mall (top row) officially opened in November 2025, marking a new era of retail excitement in Ipoh. This was followed by the opening of Parkson Hextar World Empire City (2nd row) in December 2025, establishing the Group's presence in one of Klang Valley's newest lifestyle destinations.



- Parkson China opened Datong Parkson Outlets (left), offering a one-stop "stay-shop-dine-entertain" experience, and Mianyang Shangma Parkson (right), a technology-driven experiential shopping mall.



- Parkson Credit won double honours for business excellence and digital innovation at the Golden Bull Awards 2025 on 4 July 2025.



- Hogan Bakery's newly opened outlet at Parkson Hextar World Empire City.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I hereby present the Annual Report and Audited Financial Statements of Parkson Holdings Berhad ("Company" or "Group") for the financial year ended 31 December 2025.

FINANCIAL PERFORMANCE

The year 2025 unfolded against a backdrop of persistent global uncertainty, driven by escalating trade tensions, geopolitical instability, and unpredictable policy shifts. Despite these challenges, the People's Republic of China ("China" or "PRC") continued to demonstrate commendable resilience. According to the latest data released by the National Bureau of Statistics of China, total retail sales of consumer goods in the PRC grew by 3.7% year-on-year, reflecting a gradual yet steady recovery in consumer activity. While the PRC's consumption market showed signs of recovery, consumer spending remained cautious, with increasingly fragmented consumer segments.

Locally, our retail operations were affected by rising living costs and inflationary pressures, which continued to weigh on consumer spending. Consumers became more cautious, exercising greater selectivity in discretionary purchases. Retailers also faced higher operating costs, particularly in areas such as labour, utilities, stamp duty and the expanded sales and service tax, placing additional pressure on profitability.

Against this backdrop, the Group registered the following operating results for the financial year under review:

- Revenue of RM2,536 million, compared with RM2,805 million in the previous year; and
- Operating profit of RM445 million, compared with RM416 million in the previous year.

Notwithstanding the lower revenue, the Group recorded a higher operating profit of RM445 million for the year, contributed by income from lease modification and the improved operating efficiencies.

PROSPECTS

As 2026 unfolds, **China's** retail landscape is expected to remain competitive and fast-changing. The Group is well-positioned to adapt and lead, with strategic priorities centred on deepening customer engagement, accelerating format innovation, optimising its portfolio, and pursuing disciplined expansion in markets where it holds strong footholds. These initiatives are expected to drive sustainable, long-term value creation for the Group.

In **Malaysia**, the Group continues to navigate inflationary pressures and the rising cost of living that have impacted consumer sentiments and spending. In response, the Group remains focused on enhancing store and operational productivity, improving margins, managing costs prudently, and rationalising operations, while actively exploring opportunities to expand its store network.

BOARD OF DIRECTORS

On behalf of the Board, I would like to record our thanks and appreciation to Y. Bhg. Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat who resigned from the Board on 27 November 2025, for his invaluable contributions during his tenure as a Director of the Company, as well as a member of the Audit Committee and Remuneration Committee.

I joined the Board on 27 November 2025, and on the same date, assumed the role of Chairman of the Board. I am grateful to my fellow Board members for their support and confidence in me.

I would also like to express my sincere appreciation to Y. Bhg. Tan Sri Cheng Heng Jem for his leadership and significant contributions over the decades as Chairman of the Board. We are pleased that the Group will continue to benefit from his extensive experience in his role as Managing Director.

APPRECIATION

On behalf of the Board, I extend our sincere thanks and appreciation to all our valued shareholders, customers, suppliers, financiers, business associates and Government authorities for their continued trust, cooperation and confidence in the Group.

I would also like to convey my deepest appreciation to my fellow Directors for their invaluable guidance, counsel and contributions. Finally, I wish to recognise our Management and staff whose dedication, efforts and commitment continue to drive the Group's success.

DATUK SERI UTAMA RAJA NONG CHIK BIN DATO' RAJA ZAINAL ABIDIN
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATIONS

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

The Group is also involved in the retailing of fashionable goods, consumer financing, and the operation of food and beverage (“F&B”) outlets.

The Group’s businesses are spearheaded by Parkson Retail Group Limited, listed on The Stock Exchange of Hong Kong Limited, which operates 38 department stores in 23 cities across China; and Parkson Retail Asia Limited, listed on the Singapore Exchange Securities Trading Limited, that operates 39 department stores in Malaysia.

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

As at 31 December	Number of Department Stores	
	2025	2024
Malaysia	39	37
China	38	41
	77	78

OVERVIEW

	2025 RM Million	2024 RM Million	Change
Consolidated Statement of Profit or Loss			
Gross sales proceeds	5,529	6,478	-15%
Revenue	2,536	2,805	-10%
Operating profit	445	416	7%
Loss before tax	(7)	(72)	90%
Consolidated Statement of Financial Position			
Total assets	7,735	8,318	-7%
Deposits, cash and bank balances	1,307	1,395	-6%
Total liabilities	5,757	6,142	-6%
Total borrowings	1,778	1,828	-3%
Net assets	1,193	1,281	-7%

For the financial year ended 31 December 2025 (“FYE 2025”), the Group recorded lower gross sales proceeds of RM5,529 million, with revenue declining by 10% to RM2,536 million. The decline was mainly attributable to softer consumer demand across the Group’s retailing markets. The continued increase in the cost of living, ongoing economic uncertainties and subdued household income growth expectations have weighed on consumer sentiments and spending.

Notwithstanding the lower revenue, the Group achieved a higher operating profit of RM445 million for the FYE 2025, primarily contributed by our Parkson China operations. The Group reported a loss before tax of RM7 million for the financial year under review.

As at 31 December 2025, the Group’s total assets decreased by 7% to RM7,735 million, reflecting the effects of currency translation arising from the weakening of the Renminbi and Singapore Dollar, as well as impairment losses, depreciation and amortisation. Deposits, cash and bank balances stood at RM1,307 million as at 31 December 2025. Total liabilities decreased by 6% to RM5,757 million, with borrowings declining by 3% to RM1,778 million mainly due to currency translation effects and repayments. Net assets of the Group stood at RM1,193 million, or RM1.04 per share (31.12.2024: RM1,281 million or RM1.11 per share).

REVIEW OF OPERATIONS

Malaysia

	Financial year ended 31 December	
	2025	2024
Number of department stores	39	37
Revenue (RM Million)	692	745
Segment profit (RM Million)	132	171

For the FYE 2025, the Group’s retailing operations in Malaysia recorded a lower revenue of RM692 million compared with RM745 million a year ago, mainly attributable to the continued increase in the cost of living and ongoing economic uncertainties which moderated consumer sentiments and spending. Softer sales performance, together with increased operating cost pressures, had resulted in a lower operating profit of RM132 million.

The Group continues to pursue growth by identifying strategic locations for new store openings while simultaneously investing in store renovations to enhance the overall shopping environment and customer experience. During the FYE 2025, the Group expanded its retail footprint with the opening of *Parkson Sentra Mall* and *Parkson Hextar World*. *Parkson Sentra Mall* officially opened in November 2025, marking a new era of retail excitement in Ipoh. This was followed by the opening of *Parkson Hextar World* in December 2025, establishing the Group’s presence in one of Klang Valley’s newest lifestyle destinations. Both stores feature a refreshed retail concept designed to meet the evolving preferences of modern customers. As at 31 December 2025, the Group operates 39 Parkson department stores in Malaysia.

The Group continues to navigate inflationary pressures and the rising cost of living that have impacted consumer sentiments and spending. In response, the Group remains focused on enhancing store and operational productivity, improving margins, managing costs prudently, and rationalising operations, while actively exploring opportunities to expand its store network.

China

	Financial year ended 31 December	
	2025	2024
Number of department stores	38	41
Revenue (RM Million)	1,702	1,950
Segment profit (RM Million)	259	205

Parkson China recorded a lower revenue of RM1,702 million for the FYE 2025 compared with RM1,950 million a year ago, mainly due to the increasingly cautious consumer spending amid challenging external environment uncertainties and subdued household income growth expectations. The operations, however, reported a higher operating profit of RM259 million, which included income from lease modification, and improved operating efficiencies.

The Group is actively reshaping its identity from a traditional retailer into an innovator of integrated lifestyle destinations to cater to the rapidly evolving consumer expectations. During the FYE 2025, Parkson China opened *Datong Parkson Outlets*, offering a one-stop “stay-shop-dine-entertain” experience, and *Mianyang Shangma Parkson*, a technology-driven experiential shopping mall. These openings reflect the Group’s initiatives to explore innovative business models with unique characteristics while further expanding its business footprint.

Parkson China also completed major renovations at several key stores during the year to introduce refreshed experiences aligned with each store’s distinct market positioning and competitive landscape. In line with its ongoing rationalisation strategy, 5 underperforming stores were closed during the financial year. As at 31 December 2025, the Group has a network coverage of 38 stores in 23 cities across China.

As 2026 unfolds, China’s retail landscape is expected to remain competitive and fast-changing. The Group is well-positioned to adapt and lead, with strategic priorities centred on deepening customer engagement, accelerating format innovation, optimising its portfolio, and pursuing disciplined expansion in markets where it holds strong footholds. These initiatives are expected to drive sustainable, long-term value creation for the Group.

Others

	Financial year ended 31 December	
	2025	2024
Revenue (RM Million)	141	110
Segment profit (RM Million)	54	40

The results of this Division were mainly derived from the Group's consumer financing business, operation of F&B business, and investment holding. For the FYE 2025, the Group's consumer financing business continued to see increasing demand for its financing servicing while the bakery operation recorded improved productivity compared to the previous year.

Parkson Credit, the Group's consumer financing arm, has established itself as one of the leading motorcycle financiers in Malaysia. The successful launch of its RM1.0 billion asset-backed Islamic medium term note programme in December 2024 supports its expansion in motorcycle financing, with a focus on underserved markets in Malaysia. For the financial year under review, the operations recorded a revenue of approximately RM132 million with an operating profit of RM60 million. While remaining focused on leveraging technology to drive sustainable growth, *Parkson Credit* also prioritised enhancing asset quality through targeted credit recovery initiatives and proactive collection efforts.

All *Hogan Bakery* products in Malaysia are halal-certified. Revenue from the bakery operations recorded positive growth for the FYE 2025, supported by improved sales performance of its bakery outlets and higher supply of breads to other retail outlets. The Group remains focused on enhancing productivity and expanding its reach to customers.

SUSTAINABILITY STATEMENT

Parkson Holdings Berhad (“PHB” or “Company”) is pleased to present its Sustainability Statement which provides an overview of its Economic, Environmental and Social (“EES”) practices for the financial year ended 31 December 2025 (“FYE2025”).

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

As at 31 December 2025, PRA operates 39 Parkson department stores in Malaysia, while PRGL, a premier retail operator in the People’s Republic of China (“PRC”), operates and manages 38 Parkson stores across 23 cities in the PRC, (comprising department stores, shopping malls, outlets, supermarkets, the “Parkson Beauty” concept store and two Parkson Newcore City Malls), as well as one shopping mall in Laos. PRGL is also involved in the consumer financing business through Parkson Credit Sdn Bhd (“Parkson Credit”), which provides the convenience of purchasing motorcycles and household appliances via easy instalment payments.

REPORTING SCOPE

This Sustainability Statement covers PHB’s operations in Malaysia, namely Parkson department stores, the Parkson Branding and Innovation division, Parkson Credit, and Hogan Bakery. The Company is implementing a phased approach and will progressively expand the scope to include its overseas operations in future reporting periods, subject to data readiness and alignment with the Company’s reporting framework.

REPORTING FRAMEWORK AND STANDARDS

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

PHB is working to adopt the recommendations of the National Sustainability Reporting Framework (“NSRF”) and the relevant IFRS Sustainability Disclosure Standards.

PHB is listed on the FTSE4Good Bursa Malaysia Index (“F4GBM”), a globally recognised benchmark by FTSE Russell that measures companies against international ESG standards. The Company’s advancement to a 3-Star rating in 2025 reflects its commitment to responsible and ethical business practices as it continues to create long-term value for its stakeholders and contribute positively to the communities and environment in which it operates.

DATA QUALITY AND RELIABILITY

The data contained within this Sustainability Statement was internally sourced, verified and validated by the respective business divisions and information owners. The Company acknowledges that limitations may exist in data availability and consistency for certain indicators, particularly where external data sources or non-standardised metrics are involved. The Company will continue to enhance its data collection and analysis processes to improve the accuracy, reliability and completeness of its disclosures to align with best practice reporting standards.

This Statement may include forward-looking statements, strategic targets and performance projections, which are based on prevailing conditions and reasonable assumptions at the time of reporting. Actual results may differ due to various business risks, regulatory changes or unforeseen circumstances.

AVAILABILITY AND FEEDBACK

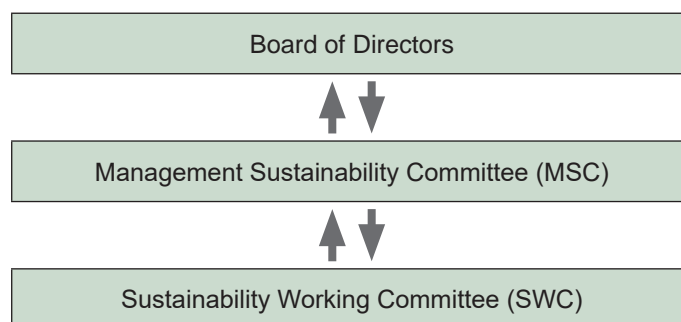
This Sustainability Statement is available on the Company's website at www.lion.com.my/parkson and Lion Group's website at www.lion.com.my as part of the Company's 2025 Annual Report. The Company welcomes its stakeholders to share their feedback regarding this Statement and the topics discussed.

APPROACH TO SUSTAINABILITY

As part of the Lion Group, PHB is guided by the Group's mission: *"We are committed to making Lion Group a caring organisation and being recognised for excellence in quality, growth and profitability."* PHB embraces this mission across its business operations, adopting a holistic approach to sustainability that integrates environmental, social, and governance considerations into its business practices.

Strategic direction is provided by the Board of Directors, with the Head of the Company/Business leading implementation. Close collaboration across Departments and Business Units ensures the sustainability initiatives are effectively coordinated and consistently applied throughout the Company.

SUSTAINABILITY STRUCTURE



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

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

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

GOVERNANCE

The Company complies with all relevant corporate governance laws and regulations and follows best practices. By upholding high standards of corporate governance, it aims to ensure long-term success, competitiveness, and sustainability. Details can be found in the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control on pages 13 to 33 of this Annual Report.

STAKEHOLDER ENGAGEMENT

Engaging with stakeholders is crucial to understanding their expectations. The Company values their feedback, assessments, and insights as they are essential to shaping its sustainability strategies and initiatives. Through regular formal and informal engagements, the Company continuously refines its approach. These interactions help the Company identify key issues, uncover opportunities, and manage risks, enabling it to respond effectively to stakeholder needs.

Key Stakeholders	Area of Interest	Engagement Platforms	Our Response
Employees	<ul style="list-style-type: none"> Health, safety and well-being Learning and development Respect and recognition Job satisfaction Pay and benefits 	<p>Ongoing</p> <ul style="list-style-type: none"> Meetings Training programmes Internal newsletter New employee induction programme Staff gatherings and other engagement channels <p>Quarterly</p> <ul style="list-style-type: none"> Internal newsletter <p>Annually</p> <ul style="list-style-type: none"> Performance appraisals 	<ul style="list-style-type: none"> Training and upskilling opportunities for professional and personal development Merit-based evaluation and career growth pathways
Customers	<ul style="list-style-type: none"> Price promotion Convenience and experience Engaging, knowledgeable personnel Responsible financing 	<p>Ongoing</p> <ul style="list-style-type: none"> Face-to-face interaction through service channels Communication through Marketing, Customer Service and Corporate Communications Departments Feedback through website, email, social media platform Sales, promotions, road shows and related events In-store information 	<ul style="list-style-type: none"> Offer comprehensive range of products that meet customers' requirements Ethical and professional business practice
Shareholders and Investors	<ul style="list-style-type: none"> Good governance Sustainable business growth Disclosure and transparency 	<p>As Needed</p> <ul style="list-style-type: none"> Investor relations channel and meetings <p>Quarterly</p> <ul style="list-style-type: none"> Financial reports and announcements <p>Annually</p> <ul style="list-style-type: none"> Annual General Meeting Annual Report 	<ul style="list-style-type: none"> Timely updates on the Company's announcements Uphold good governance practices across the Company's business units and supply chain

STAKEHOLDER ENGAGEMENT (continued)

Key Stakeholders	Area of Interest	Engagement Platforms	Our Response
Local Communities	<ul style="list-style-type: none"> Responsible corporate citizen Support for social causes Creation of job opportunities 	<p>Ongoing</p> <ul style="list-style-type: none"> Activities and sponsorships organised by the Company and Lion-Parkson Foundation <p>As Needed</p> <ul style="list-style-type: none"> Advertisement for job vacancies 	<ul style="list-style-type: none"> Support community initiatives/ programmes through contributions and other forms of assistance
Media	<ul style="list-style-type: none"> Response to media enquiries and requests for interviews Long term engagement 	<p>As Needed</p> <ul style="list-style-type: none"> Media releases, media statements and interviews Advertisements Media invitations and sponsorships 	<ul style="list-style-type: none"> Transparency in communications Timely and accurate information on corporate, industry, and business developments
Industry Associations	<ul style="list-style-type: none"> Support for mutual interests 	<p>As Needed</p> <ul style="list-style-type: none"> Meetings and events 	<ul style="list-style-type: none"> Participate in meetings/discussions and/or events

MEMBERSHIP AND ASSOCIATIONS

Parkson is a member of:

- Malaysia Retailers Association
- Malaysia Retail Chain Association
- Intercontinental Group of Department Stores

Parkson Credit is a member of:

- Credit Sale Companies Association
- International Chamber Of Commerce Malaysia

AWARDS AND CERTIFICATION

- In February 2026, Parkson Credit achieved the ISO/IEC 27001:2022 certification for its Information Security Management System. This milestone follows a rigorous independent audit by TUV Austria, confirming that its internal security frameworks meet the latest international requirements for data protection and risk management. This certification provides its customers and partners factual assurance that the company has established a resilient environment capable of defending against evolving threats.
- In November 2025, Parkson Credit received the World Digital Transformation Leadership Award at Global Chinese Economic and Technology Summit 2025, in recognition of its innovative digital initiatives, including data-driven credit assessments, digitised customer service, and automated workflows. The award highlights the company's commitment to operational efficiency, service transparency, Shariah-compliant governance, and advancing Malaysia's digitalisation agenda.
- In August 2025, Parkson Credit was awarded Malaysia's Most Innovative Islamic Deal at The Asset Triple A Islamic Finance Awards 2025. This international recognition highlights Parkson Credit's RM1 billion asset-backed Islamic Medium-Term Notes programme, which demonstrates its innovative approach to Islamic capital markets financing and reinforces its position as one of Malaysia's leading motorcycle financiers.
- In July 2025, Parkson Credit received double honours at the prestigious Golden Bull Awards 2025, winning the esteemed Super Golden Bull Award and Digital 50 Award, in recognition of its strong business performance, digital innovation and commitment to sustainable, responsible growth.
- Parkson was recognised for its "Think Green, Act Green" campaign, reflecting its ongoing commitment to environmental stewardship and responsible business practices, and was awarded the 'Certificate of Merit' for the 2024 Best Marketing Campaign by the Malaysia Retailers Association.
- The Parkson Transformation Team was recognised by Intercontinental Group of Department Stores (as one of Top 10) in 2024 for its innovative approach in creating a productive, efficient, and sustainable working environment.

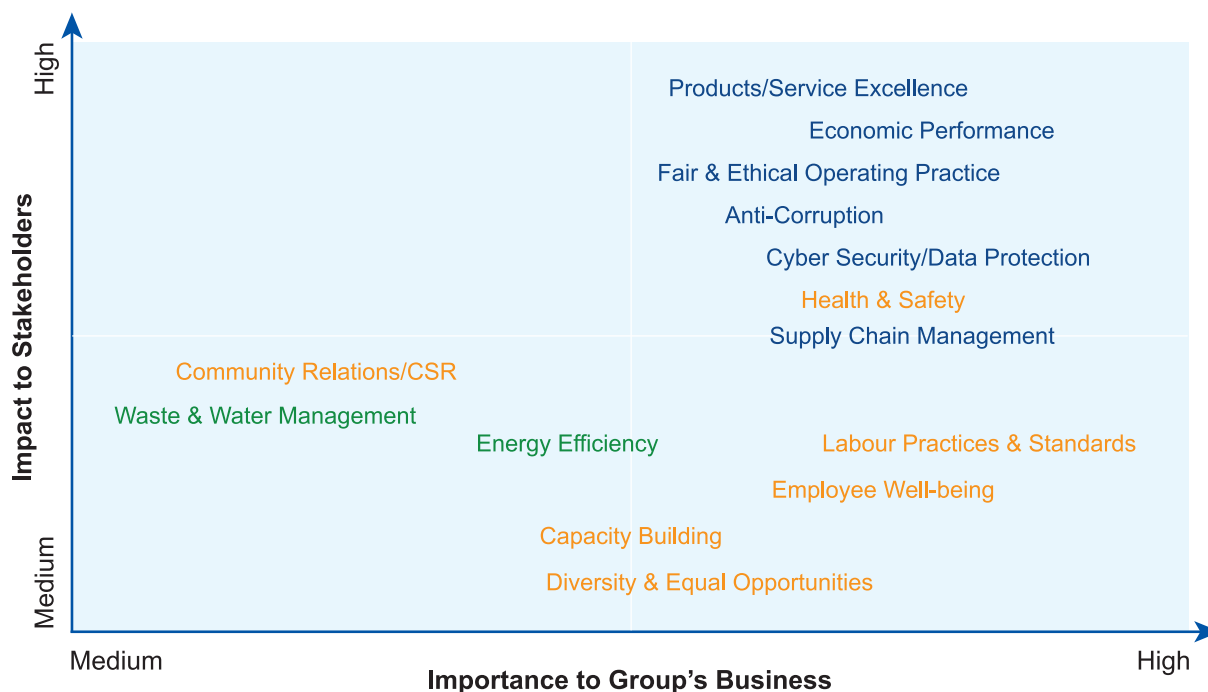
MATERIAL MATTERS

The Company's materiality matters are validated by its various divisions, combined into a consolidated matrix of issues relating to its business activities. In identifying its materiality matters, the Company is guided by GRI and the Listing Requirements.

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

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

MATERIALITY MATRIX





Indicators :










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

PHB is committed to supporting the UNSDGs as part of its broader sustainability strategy. The following outlines its key initiatives and contributions during the financial year under review.

UNSDGs	Description	Approach
	Goal 1: No Poverty End poverty in all its forms anywhere	<ul style="list-style-type: none"> Provide financial aid for medical treatment to the most vulnerable segments of society Collaborate with other bodies and Non-Governmental Organisations (“NGOs”) to extend reach and ensure help is targeted to those most in need
	Goal 3: Good Health and Well-being Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> Prioritise health and safety in each business operation by adopting rigid safety standards and systems, provide continuous safety training to protect employees, sub-contractors and the general public Promote healthy lifestyles and work-life balance by organising programmes that focus on employees’ physical and mental well-being

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

UNSDGs	Description	Approach
 <p>4 QUALITY EDUCATION</p>	<p>Goal 4: Quality Education</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> • Provide scholarships to undergraduates pursuing their first degree locally • Promote employee development programmes
 <p>5 GENDER EQUALITY</p>	<p>Goal 5: Gender Equality</p> <p>Ensure full participation in leadership and decision-making</p>	<ul style="list-style-type: none"> • Acknowledge women’s contribution in the industry and commit to promoting the advancement of women, especially in fields related to steel manufacturing, engineering and construction • Ensure women’s effective representation and equal opportunities for leadership at all levels of decision-making across business activities
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Goal 8: Decent Work and Economic Growth</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> • Provide a competitive remuneration package to all employees, as well as training opportunities for career growth and development • Promote a safe and secure working environment for all workers, including contractors and foreign labour • Stand firm against any form of forced labour, modern slavery and child labour
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Goal 12: Responsible Production and Consumption</p> <p>Substantially reduce waste generation</p>	<ul style="list-style-type: none"> • Encourage 3R (reduce, reuse, recycle) activities to reduce waste generation
 <p>13 CLIMATE ACTION</p>	<p>Goal 13: Climate Action</p> <p>Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> • Comply with all applicable statutory and regulatory requirements.
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Goal 16: Peace, Justice and Strong Institutions</p> <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> • Support a fair and equitable workplace • Ensure a strong ethics and compliance culture • Maintain zero tolerance towards bribery and corruption, as articulated in the Company’s Anti-Bribery and Corruption Policy • Maintain a Whistleblower Policy to encourage the reporting of concerns in a safe and confidential manner
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Goal 17: Partnership for the Goals</p> <p>Encourage and promote effective partnerships, building on the experience and resourcing strategies of partnerships</p>	<ul style="list-style-type: none"> • Collaborate with regulators, industry players and community development programme partners

KEY SUSTAINABILITY MATTERS

ECONOMIC

Ensuring economic sustainability remains a key priority for achieving long-term business success. The Company's commitment lies in upholding ethical and responsible marketplace practices through transparent business conduct, operating its business with integrity, and a commitment to excellence. These principles not only enhances its competitiveness but also fosters long-term relationships with its stakeholders.

- **Economic Performance**

The Company is dedicated to creating meaningful employment opportunities and supporting economic development. Through the jobs generated within its operations and related industries, along with the taxes it contributes, the Company plays a vital role in driving positive and significant impacts on the broader economy.

RM'000	2023	2024	2025
Revenue	3,125,907	2,805,074	2,535,899
Profit/(loss) after tax	28,928	(127,189)	(74,573)
Net loss attributable to owners of the parent	(19,186)	(102,028)	(41,466)

Note: Further information on Economic Performance can be found in the 5 Years Group Financial Highlights on page 45, and Financial Statements section of the 2025 Annual Report.

- **Products/Service Excellence**

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

The Company's F&B business, Hogan Bakery, adheres strictly to the Standard Operating Procedures (SOPs) established by the brand's Principal, supported by stringent food safety and quality standards and halal certification from the Department of Islamic Development Malaysia (JAKIM) for its central kitchen. Its ingredients are sourced from certified suppliers, and high standards of hygiene and food safety are consistently maintained across its production facilities and retail outlets, providing assurance of quality, safety, and compliance to customers.

In conducting its business operations, Parkson Credit adopts responsible financing best practices and is committed to providing affordable and quality financial services in line with its corporate values and within the regulatory framework. In support of this commitment, Parkson Credit achieved the ISO/IEC 27001:2022 certification for its Information Security Management System in February 2026. This milestone confirms that its internal security frameworks meet the latest international requirements for data protection and risk management, and provides its customers the assurance of a resilient environment capable of addressing evolving threats.

- **Fair & Ethical Operating Practice**

The Company believes that conducting business responsibly means going beyond mere compliance with laws and regulations. It is committed to upholding high ethical standards that exceed societal expectations, ensuring fairness and equity in all endeavours. By offering products and services that meet customer expectations, the Company demonstrates a fair and responsible approach that balances the interests of both customers and its business operations.

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

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

- **Anti-Bribery and Corruption**

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

The Company encourages all its stakeholders to report any suspected wrongdoings which may involve or concern its directors, management and employees; or actions that could affect its business performance, relations with other stakeholders, assets, or reputation. Whistleblowers are assured of confidentiality, with their identity protected unless disclosure is required by law.

Anti-Bribery and Corruption-related Training

Anti-bribery and corruption training is conducted on a regular basis to reinforce ethical conduct and compliance across the organisation. Attendance is compulsory for all employees, ensuring a consistent understanding of anti-corruption principles, policies, and responsibilities. The Company continues to enhance its training approach through online learning options, strengthened compliance tracking, and engagement initiatives such as targeted reminders and interactive training sessions. These efforts reflect the Company's ongoing commitment to maintaining strong anti-bribery and corruption standards.

Operations Assessed for Corruption-related Risks

During the financial year under review, the Company conducted corruption risk assessments across all its operations, with 100% undergoing the evaluation.

Percentage (%)	2023	2024	2025
Corruption Related Training			
- Executive	82.31%	32.87%	20.59%
- Non-Executive	73.52%	22.08%	26.51%
Operations Assessed for Corruption-related Risks	100	100	100

- **Cyber Security/Data Protection**

The Company is committed to maintaining the confidentiality and security of its customers' and stakeholders' information in compliance with the Personal Data Protection Act 2010 ("PDPA"). In alignment with the amendments to the PDPA effective 1 June 2025, which introduced a requirement to appoint a Data Protection Officer ("DPO"), conditional on the scale of data processing activities, the Company appointed a DPO across subsidiaries that meet the prescribed threshold to oversee compliance, implement internal controls, and strengthen the protection of personal data.

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

During this reporting period, there were no substantiated complaints of breaches in customer privacy or loss of customer data.

	2023	2024	2025
Substantiated Complains Concerning Breaches In Customer Privacy Or Data Loss	ZERO	ZERO	ZERO

- **Supply Chain Management**

The Company's procurement division is dedicated to ensuring responsible procurement practices, reinforced by the requirement for all active registered vendors to periodically acknowledge their commitment to the Company's Vendor Code of Conduct. Vendor qualifications and credentials are thoroughly vetted before being added to the list of approved suppliers. Sustainability considerations, such as fair labour practices and safety requirements are incorporated from the beginning of the supplier selection process.

To maintain transparency and accountability, regular audits are conducted, and procurement processes and policies are regularly reviewed, including reassessment of procurement contracts. The Company prioritises locally sourced products and services, recognising the benefits of cost efficiency, timely delivery, reduced carbon emissions, and support for the local economy.

Local Suppliers

In FYE2025, 98.95% of the Company's total procurement expenditure was directed towards local suppliers. This approach contributes to domestic economic growth and helps reduce transportation-related emissions, thereby lowering the Company's environmental footprint. Its commitment to local sourcing also strengthens supply chain resilience and supports the long-term sustainability of local businesses and communities.

As it continues to review and enhance its procurement practices, the Company aims to sustain and further expand local sourcing opportunities while integrating sustainability considerations into supplier selection and engagement. Through these efforts, it seeks to drive greater environmental stewardship, social value creation, and long-term economic impact.

	2023	2024	2025
Spending on Local Suppliers (%)	98.03	99.67	98.95

- **Customer Satisfaction**

Customer support and loyalty are critical to the success of the Company's business. In this regard, customers are at the forefront of its business operations, where it strives to provide safe, ethically sourced quality products as well as premium, value-added services.

To uphold these standards, the Company incorporates product knowledge and service skills training into its routine programmes, ensuring employees deliver exceptional service to customers.

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

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

Parkson Card Loyalty Programme

The Parkson Card loyalty programme enables Parkson to deliver targeted promotions and curated events. The Parkson Card programme is tailored to members' preferences and strengthened by its cross-border acceptance in countries where Parkson operates, enabling members to enjoy seamless benefits across its retail network. Supported by a diverse range of merchant partners, the Parkson Card offers exclusive discounts ranging from 5% to 6%, depending on membership tiers. These cross-border privileges and curated benefits reflect its commitment to delivering value, convenience, and an enhanced customer experience.

Membership has increased year-on-year, driven by the programme's attractive rewards, personalised promotions, and the ease of earning and redeeming benefits across multiple countries and retail channels. As at 31 December 2025, the Parkson Card membership base stood at approximately 2.40 million members, demonstrating strong customer engagement and the value that the loyalty programme continues to deliver.

	2023	2024	2025
Parkson Card Members	2.29 million	2.33 million	2.40 million

ENVIRONMENTAL

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

Climate Action and Environmental Goals

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

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

- **Energy Efficiency**

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

To align with the energy conservation objective, almost 80% of the lightings in Parkson stores have been converted to light emitting diode (“LED”) lights. Compared with conventional lights, LED lights could contribute 35% to 45% savings in energy consumption.

In addition to installation of LED lights, Parkson has also undertaken other energy conservation initiatives such as optimising the usage of high energy consumption store equipment (such as auto start/stop elevators and air conditioners) and switching on escalators/air conditioners closer to the commencement of the stores’ operating hours. It also collaborates with mall operators on adopting green energy in its stores.

For FYE2025, the Company’s total energy consumption increased by 2.8% compared to the previous year, continuing the upward trend observed in prior years. While this reflects higher operational activity, the Company remains committed to energy efficiency initiatives, including equipment optimisation, operational best practices, and monitoring, to manage consumption and reduce its environmental impact.

	2023	2024	2025
Total Energy Consumption (Megawatts)	43,257.85	45,626.47	46,890.57

- **Water and Waste Management**

As tenants in shopping malls and office buildings, the Company does not have direct operational control over the management of water infrastructure and waste disposal services which is primarily the responsibility of the respective landlords. Nevertheless, the Company remains committed to promoting responsible resource use across its operations.

The Company’s total water consumption increased from 138.58 megalitres in FYE2024 to 147.81 megalitres in FYE2025, representing a year-on-year increase of approximately 6.7%. This moderate rise was mainly attributable to higher operational activity across the Company’s head office divisions, F&B outlets and retail stores, including increased customer traffic and extended operating hours in selected locations, as well as the opening of 2 new stores during the year. To support water stewardship, employees are encouraged to adopt water-saving practices through regular awareness initiatives, including reducing unnecessary usage and promptly reporting leaks.

In terms of waste management, the primary waste streams generated from the Company’s department store operations comprise cardboard, paper and plastic materials, while its office operations predominantly generate paper waste. The Company diverts waste from the landfill through reuse, recycling and other recovery initiatives. These efforts reflect the Company’s ongoing commitment to responsible waste management and the reduction of landfill impact.

In addition, the Company’s F&B operations adopt eco-friendly, minimalist packaging made from natural materials that are biodegradable and compostable, supporting its broader efforts to reduce environmental impact. As part of its continuous improvement approach, the Company will further strengthen waste segregation practices, enhance recycling efforts and promote greater environmental awareness across its operations.

- **Environmental Conservation**

The Company actively promotes environmental conservation by supporting projects that protect natural habitats, restore ecosystems, and raise awareness about sustainable practices among employees and communities.

In August 2025, Parkson employees organised a beach cleaning day at Pantai Batu Laut, Selangor. Supported by a local non-governmental organisation, My Clean Beach, the team collected 572.6kg of waste during the exercise.

In December 2024, Parkson Credit spent 153 man-hours planting 420 mangrove saplings at Kuala Selangor Nature Park to combat coastal erosion, fight climate change, and enhance marine biodiversity.

- **Promoting Green Initiatives**

While maintaining high-quality service, the Company is continuously exploring eco-friendly alternatives in its daily operations, such as implementing energy-efficient products and processes, along with adopting 5S and 3R management techniques.

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

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

In September 2025, Parkson Branding and Innovation extended its sustainability efforts to upcycle pre-loved clothes into creative outfits through a designer competition organised by SPAO, in collaboration with Malaysian Institute of Art. Members of the public were encouraged to donate pre-loved clothes at SPAO recycle boxes at its head office and outlets in Parkson Elite Pavilion KL and SPAO Sunway Velocity Mall.

SOCIAL

Recognising the importance of social inclusion which influences lifestyles and professional endeavours, the Company aims to cultivate a positive social impact that can truly make a meaningful difference within the environment in which it operates.

- **Employee Well-being**

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

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

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

- **Labour Practices and Standards**

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

In FYE2025, no incidents of discrimination, harassment, or violations of labour laws or workers' rights were reported, reflecting the Company's dedication to compliance and employee well-being.

	2023	2024	2025
Substantiated Complaints Concerning Human Rights Violation	ZERO	ZERO	ZERO

- **Health & Safety**

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

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

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

Health and Safety Training

In FYE2025, the Company provided health and safety training to 1,300 employees. While training delivery was influenced by scheduling considerations, session capacity, and prior completion of certain non-mandatory modules, the Company continues to prioritise employee wellbeing and strengthen a strong safety culture across its operations.

The Company ensures that all its employees complete mandatory health and safety training, while providing refresher and targeted training based on operational risk exposure and regulatory requirements. Through this risk-based and needs-driven training approach, the Company aims to maintain high health and safety standards, support workforce competency, and reinforce its commitment to providing a safe and healthy workplace for all employees.

	2023	2024	2025
Number of Employees Trained on Health And Safety Standards	2,142	1,557	1,300

Among the training programmes conducted were:

- Basic Occupational First Aid, CPR And AED
- Essential Fire Fighting
- Occupational Safety And Health Training
- Bengkel OSH Coordinator
- Health and Safety at the Workplace (HSW) 2025

Work-Related Injuries

Ensuring a safe workplace remains the highest priority for the Company. From 2023 to 2025, the Company recorded zero work-related fatalities. Lost Time Injuries (LTI) remained low and well controlled, with 1 case in 2023, 3 cases in 2024, and 2 cases in 2025.

On a year-on-year basis, despite significantly higher total hours worked in 2024 and 2025, the LTI rate improved from 0.05 in 2023 to 0.04 in 2024 and 0.03 in 2025. The continued decline in LTI rate reflects strengthened safety measures and ongoing efforts to enhance workplace safety across the Company's business operations.

	2023	2024	2025
Total Hours Worked	4,206,188	15,260,000	15,806,000
Fatalities	0	0	0
Lost Time Injuries	1	3	2
LTI Rate *	0.05	0.04	0.03

* $LTI\ Rate = (Number\ of\ Lost\ Time\ Injuries \div Total\ Hours\ Worked \times 200,000)$

- **Capacity Building**

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

Training is delivered through on-the-job learning, formal classes, online platforms, and continuing education. The Company encourages employees to pursue upskilling courses and obtain skill certifications, enabling broader job coverage and cultivating professional growth. These programmes are designed to support both executives and non-executives at different stages of their career journey.

In FYE2025, total training hours increased across both employee categories compared to FYE2024, reflecting continued investment in workforce capability building. Executive training hours rose to 18,616 hours, while non-executive training hours increased to 25,916 hours.

Total Hours of Training by Employee Category:

Category/Hours	2023	2024	2025
Executive	16,515	16,138	18,616
Non-executive	42,316	18,644	25,916

For non-executive employees, training focuses on building strong operational foundations, technical proficiency, and functional knowledge. Programmes such as induction training, workplace communication skills, and system-based training (e.g., Excel, Power BI, MySQL, Autocount e-Invoicing) equip employees with practical skills to perform their roles effectively. Knowledge-sharing sessions covering product knowledge, corporate processes, finance fundamentals, and sustainability topics further enhance day-to-day job competency and awareness of broader business priorities.

Executive-level employees and emerging leaders participate in development programmes which place greater emphasis on strategic thinking, governance, regulatory compliance, digital transformation, and leadership effectiveness. Participation in industry conferences, management development programmes, governance and compliance forums, data protection certification, cybersecurity summits, and ISO auditing certifications strengthens decision-making capabilities and prepares leaders to navigate complex regulatory and business environments.

Across all levels, the Company reinforces ethical conduct, risk awareness, and regulatory compliance through structured programmes such as Anti-Money Laundering (AML), Anti-Bribery and Corruption (ABC), Code of Conduct and Business Ethics, PDPA compliance, and cybersecurity awareness training. This ensures employees understand their responsibilities in safeguarding organisational integrity, data security, and stakeholder trust.

In addition, the Company recognises the importance of holistic employee wellbeing and future workplace readiness. Programmes covering mental health awareness, mindfulness, diversity and inclusion, digital wellbeing, and personal financial management support employees in maintaining resilience, adaptability, and work-life balance in a fast-evolving business environment.

Training is also aligned with career development pathways, enabling employees to progressively build competencies required for role expansion, cross-functional exposure, and leadership succession. Technical certifications, industry exposure, and continuous learning opportunities allow employees to remain relevant amid digitalisation, regulatory evolution, and sustainability expectations.

This comprehensive approach reflects the Company's commitment to nurturing a skilled, adaptable, and future-ready workforce, while supporting employees in achieving their career development goals and contributing meaningfully to the Company's long-term business sustainability.

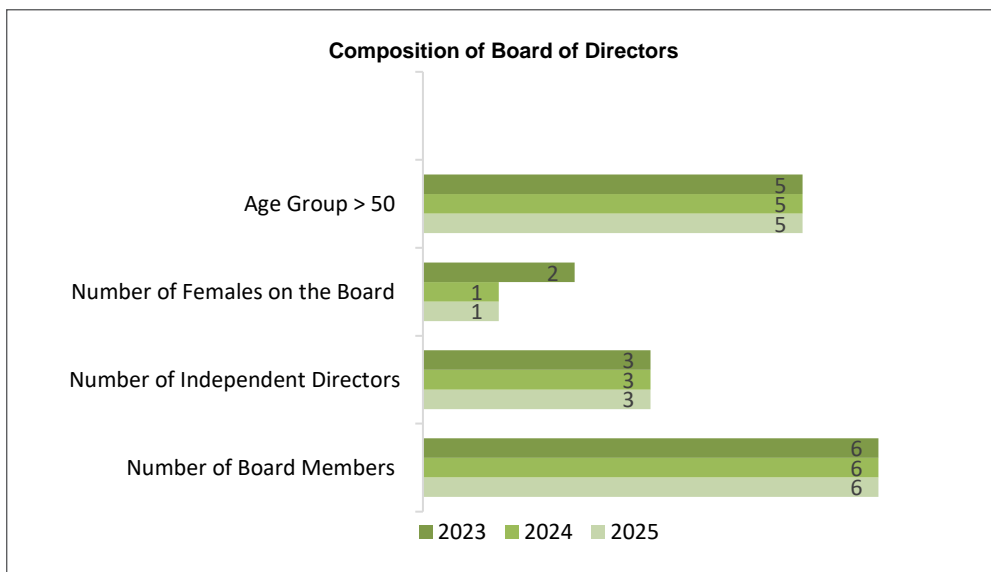
The training programmes held in FYE2025 include:

Training Category	Key Programmes Conducted
Personal Development & Leadership	<ul style="list-style-type: none"> • Teambuilding Programmes (Bond Builders, Super Heroes, Bond to Win) • Stand Up and Speak • High Impact Presentation Skills • Personal Happiness and Wellbeing at the Workplace • Understanding the Coloured Brain: Creating Harmony at the Workplace • Setting Goals and Competencies • Managing Absenteeism at the Workplace
Technical, Functional & Skills Training	<ul style="list-style-type: none"> • Visual Merchandising Training (including EID & Non-VM Training) • Store Operations Training • Marketing Strategy Training • Product Knowledge Training (All Categories) • Gift Wrapping Training • Mandarin Language Programme • Microsoft Excel Training (Intermediate / Advanced) • Filing and Record Management • Contract and Tender Management • MBRS 2.0 for Preparers – Financial Statements • Advanced Certificate in Retail Management • Certificate in Retail Supervisory Management • Driving Productivity with AI Tools • ChatGPT for Strategic Planning
Service Excellence & Retail Capability Development	<ul style="list-style-type: none"> • Parkson Service Standard Training (All Locations) • BSST Programmes: <ul style="list-style-type: none"> – My Job My Pride – My People My Pride – My Store My Pride • Malaysia Retail Association Retail Conference
Governance, Compliance & Regulatory	<ul style="list-style-type: none"> • Corporate Governance • Understanding NSRF and Latest Bursa Requirements • Personal Data Protection Act (PDPA) Training • Mastering PDPA 2010 & 2024 Amendments • Intelligent Compliance Conference • Together We Prevent Crime: Awareness, Action and Responsibility • TaxPod Master Class • Budget 2026 Seminars / Tax Talks • Evolving Regulatory Landscape: Strengthening Corporate Resilience and Governance Integrity
Sustainability, Risk & Future-Ready Capability	<ul style="list-style-type: none"> • Retail Sustainability Strategy Symposium • Cyber Security Awareness Training

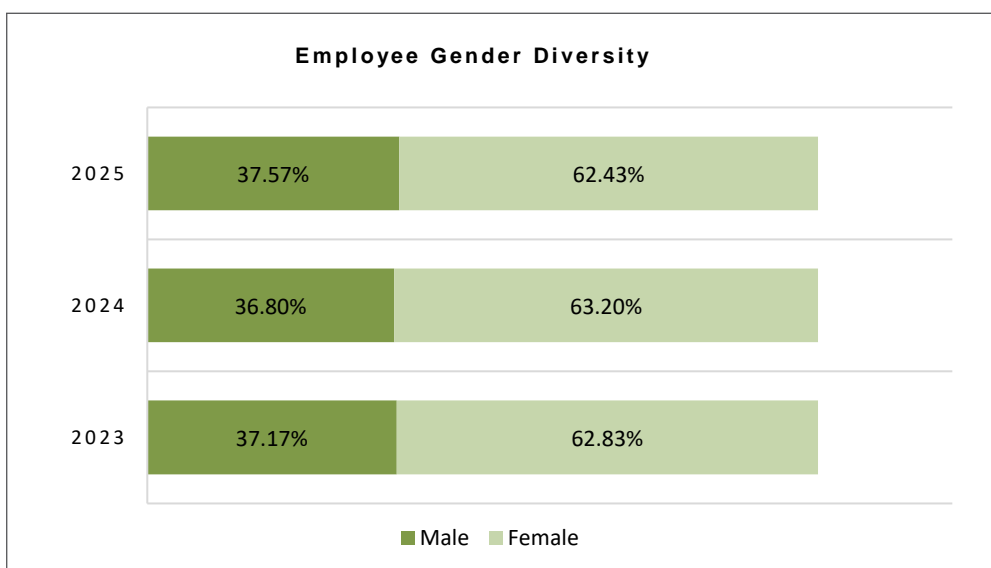
• **Diversity & Equal Opportunities**

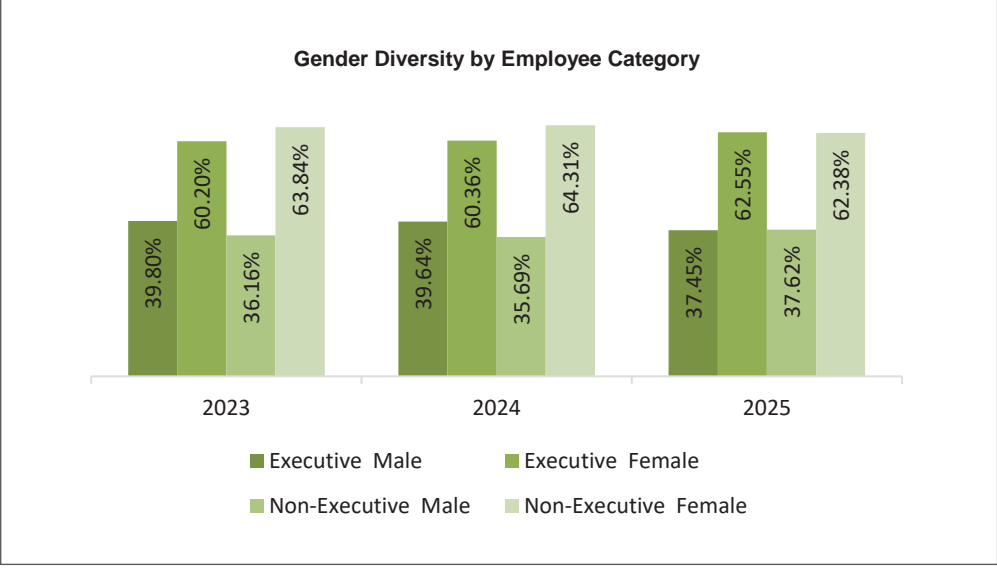
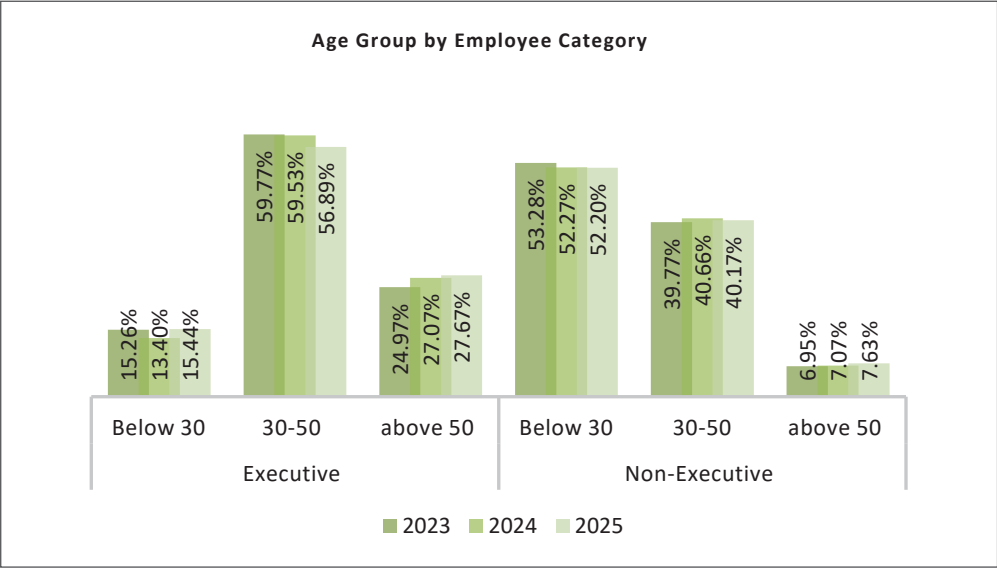
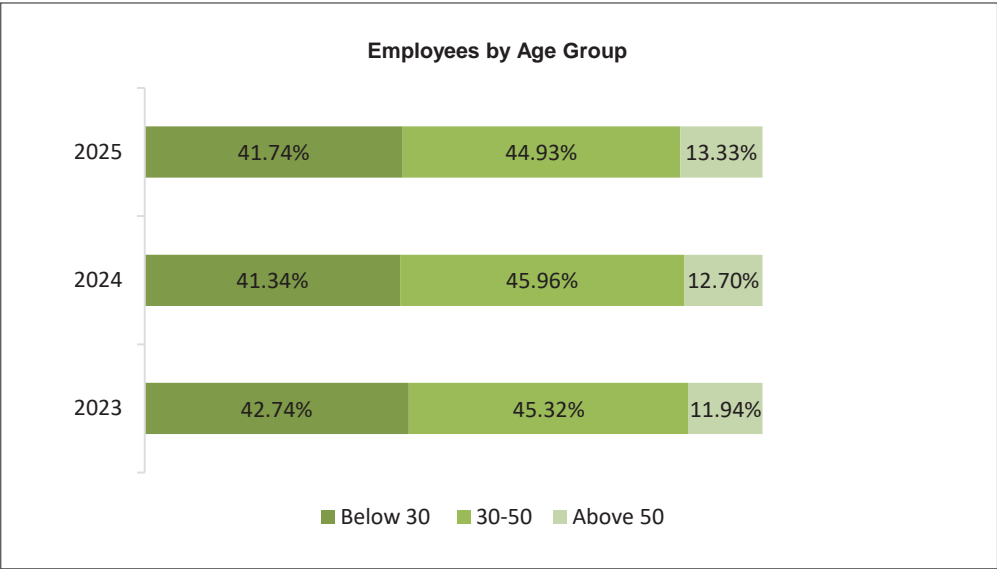
The Company's workforce reflects Malaysia's multi-cultural and multi-ethnic diversity, encompassing a wide range of demographic segments and social backgrounds across all levels of the organisation. It upholds a strict non-discrimination policy, ensuring equal opportunities regardless of race, gender,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

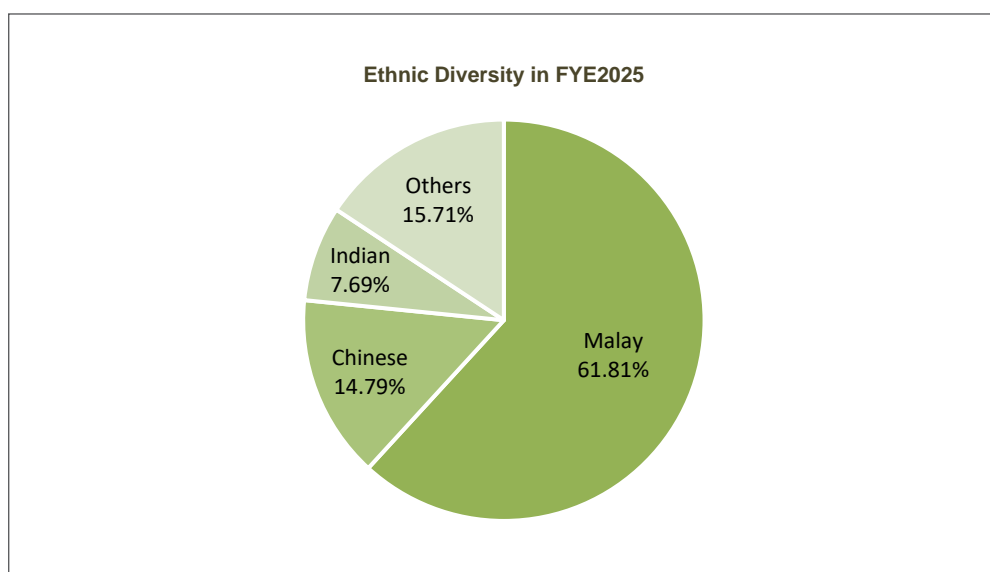
As at the end of the reporting period, the Board comprised six members, with gender representation of 83% male and 17% female, reflecting ongoing efforts to promote diversity at the leadership level. The Board also demonstrates a balance of experience across age groups, with five Directors (83%) above 50 years and one Director (17%) aged between 30 and 50 years. This composition ensures a mix of seasoned expertise and perspectives to guide the Group's sustainable growth and governance practices.



At the employee level, 62.43% of the Company's workforce are female, and 37.57% are male, reflecting the nature of the Company's core business in fashion and beauty, particularly within department stores. It maintains a balanced age distribution, with 44.93% of employees aged 30-50, and 56.89% of this group holding executive positions.







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

Employees by Category (%)			
	2023	2024	2025
Indirect (vendors)	66.97	66.24	65.44
Part-time/Temporary	2.39	2.78	3.04
Permanent	30.64	30.98	31.52

Turnover in the retail sector remains a key focus due to long working hours and operational demands. Between FYE2023 and FYE2025, executive turnover rose from 69 to 99, while non-executive turnover fluctuated, dipping in FYE2024 before rising slightly in FYE2025. The FYE2024 reduction reflects the impact of retention, engagement, and career development initiatives, while the FYE2025 increase highlights the ongoing need to strengthen talent stability. Moving forward, we remain committed to fostering a supportive workplace that attracts, develops, and retains talent across all levels.

Total Turnover by Employee Category (no. of employees)			
	2023	2024	2025
Executive	69	70	99
Non-executive	1,107	920	1,116

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

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

Empowerment through Education

The Company believes that Empowerment through Education is the key to sustainable development, as education serves as a catalyst for positive, long term change. Each year, the Foundation awards scholarships to undergraduates at local universities, providing them not only financial support but also training in essential soft skills such as problem-solving, communication and teamwork. Scholars are also offered internships at Lion Group companies, allowing them to gain invaluable work experience and prepare for their future careers.

In FYE2025, the Foundation disbursed scholarships amounting to RM380,000 to 38 undergraduates pursuing their bachelor's degree in local institutions of higher learning.

Medical Assistance for the Less Fortunate

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

In FYE2025, approximately RM132,312.60 was disbursed to support the medical treatment needs of 11 individuals, including sponsorships for surgeries, medical equipment and medication.

The Foundation also made contributions to the following causes:

No	Organisation	Amount (RM)	Purpose	No of beneficiaries
1	Cataract Surgery Centre, Hospital Selayang	10,100	Donation to B40 individuals needing cataract surgery	44
2	Cataract Surgery Centre, Hospital Selayang	19,951.00	Purchase of 1 set of surgical instruments for cataract surgeries	Patients undergoing cataract surgery at the Centre (on-going)
3	Home for Handicapped & Mentally Disabled Children in Banting, Selangor	159,095	General welfare for the Home's residents	94

Other CSR Initiatives

- Parkson facilitates store visits and tours for students of retail and business courses from local institutes; providing them and stakeholders with valuable insights and hands-on retail experience.
- Parkson Credit actively supported communities and the environment through various activities in FYE2025 :
 - i. Collaborated with National Blood Centre to organise a Blood Donation Drive at Lion Office Tower, and collected 73 pints of blood
 - ii. Contributed essential and electrical items to the Home for Handicapped and Mentally Disabled Children in Banting, Selangor
 - iii. Contributed donations and sponsorships to various charity events to help the less fortunate

PHB remains committed to advancing sustainable business practices through responsible governance, environmental stewardship, and continued investment in people and communities.

SUSTAINABILITY PERFORMANCE DATA

Date & Time: 2026-04-13_13:53:35
FYE 31/12/2025

Parkson Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	Employees who have received training on anti-corruption (Executive)	Percentage	20.59	—	Internal
Anti-Corruption	Employees who have received training on anti-corruption (Non-executive)	Percentage	26.51	—	Internal
Anti-Corruption	Operations assessed for corruption-related risks	Percentage	100	—	Internal
Community/Society	Total amount invested in the community where the target beneficiaries are external	MYR	746,268.75	—	Internal
Community/Society	Total number of beneficiaries of the investment in communities	Number	196	—	Internal
Diversity	Age Group by Employee Category (Executive Under 30)	Percentage	15.44	—	Internal
Diversity	Age Group by Employee Category (Executive Between 30-50)	Percentage	56.89	—	Internal
Diversity	Age Group by Employee Category (Executive Above 50)	Percentage	27.67	—	Internal
Diversity	Age Group by Employee Category (Non-executive Under 30)	Percentage	52.20	—	Internal
Diversity	Age Group by Employee Category (Non-executive Between 30-50)	Percentage	40.17	—	Internal
Diversity	Age Group by Employee Category (Non-executive Above 50)	Percentage	7.63	—	Internal
Diversity	Gender Group by Employee Category (Executive Male)	Percentage	37.45	—	Internal
Diversity	Gender Group by Employee Category (Executive Female)	Percentage	62.55	—	Internal

SUSTAINABILITY PERFORMANCE DATA (continued)

Date & Time: 2026-04-13_13:53:35
FYE 31/12/2025

Parkson Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Gender Group by Employee Category (Non-executive Male)	Percentage	37.62	—	Internal
Diversity	Gender Group by Employee Category (Non-executive Female)	Percentage	62.38	—	Internal
Diversity	Directors by gender and age group (Male)	Percentage	83.33	—	Internal
Diversity	Directors by gender and age group (Female)	Percentage	16.67	—	Internal
Diversity	Directors by gender and age group (Under 30)	Percentage	0.00	—	Internal
Diversity	Directors by gender and age group (Between 30-50)	Percentage	16.67	—	Internal
Diversity	Directors by gender and age group (Above 50)	Percentage	83.33	—	Internal
Energy Management	Total energy consumption	Megawatt	46,890.57	—	Internal
Health and Safety	Number of work-related fatalities	Number	0	—	Internal
Health and Safety	Lost time incident rate ("LTIR")	Rate	0.03	—	Internal
Health and Safety	Number of employees trained on health and safety standards	Number	1,300	—	Internal
Labour Practices and Standards	Training by employee category (Executive)	Hours	18,616.32	—	Internal
Labour Practices and Standards	Training by employee category (Non-executive)	Hours	25,916.44	—	Internal
Labour Practices and Standards	Employees that are contractors or temporary staff	Percentage	68.48	—	Internal
Labour Practices and Standards	Employee turnover by employee category (Executive)	Number	99	—	Internal

SUSTAINABILITY PERFORMANCE DATA (continued)

Parkson Holdings Berhad
BMLR Transition Period
Date & Time: 2026-04-13_13:53:35
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour Practices and Standards	Employee turnover by employee category (Non-executive)	Number	1,116	—	Internal
Labour Practices and Standards	Number of substantiated complaints concerning human rights violations	Number	0	—	Internal
Supply Chain Management	Proportion of spending on local suppliers	Percentage	98.95	—	Internal
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	Internal
Water	Total volume of water used	Megaliters	147810680	—	Internal

STATEMENT OF ASSURANCE

To enhance the credibility of the Sustainability Statement, selected aspects of this Statement were subjected to internal review by the Company's Internal Audit function. The Sustainability Statement was subsequently reviewed by the Audit Committee and approved by the Board of Directors.

The Materiality Matters covered are provided below:

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

LIST OF GROUP PROPERTIES

AS AT 31 DECEMBER 2025

	Address	Tenure/ Expiry Date for Leasehold	Area	Description	Existing Use/ Age of Building (Year)	Net Book Value (RM Million)	Date of Acquisition/ Last Revaluation
1.	44-60, Zhongshan Road Shinan District Qingdao City Shandong Province, China	Leasehold 3.4.2045	862.0 sq metres	Commercial building	Apartment (25)	2.0	June 2004
2.	127, Renmin Zhong Road Wuxi, China	Leasehold 22.4.2044	30,498.6 sq metres	Commercial building	Shopping complex and office (29)	17.3	June 2004
3.	37, Financial Street Xicheng District Beijing, China	Leasehold 30.10.2047	60,888.6 sq metres	Commercial building	Shopping complex and office (31)	461.8	July 2006
4.	88, Er Dao Street Tie Dong District Anshan City Liaoning Province, China	Leasehold 11.5.2040	42,574.0 sq metres	Commercial building	Shopping complex (38)	121.8	January 2008
5.	The Northeast Corner of Nanmenwai Street and Shenyi Street Heping District Tianjin, China	Leasehold 10.7.2052	61,426.2 sq metres	Commercial building	Shopping complex under construction	356.5	March 2013
6.	Kawasan Bandar XLIII Daerah Melaka Tengah Melaka - PN 72958, Lot 11052 - PN 72959, Lot 11053 - PN 56726, Lot 11356	Leasehold 28.11.2111 Leasehold 25.5.2113	21.9 acres 6 acres	Land Land	For mixed development For mixed development	102.1 31.4	December 2012, January 2015 January 2015
7.	No. 195 Hong Kong East Road Laoshan District Qingdao City Shandong Province, China	Leasehold 5.12.2050	228,622.0 sq metres	Commercial building	Shopping complex (10)	744.1	December 2015
8.	121, Renmin Zhong Road Wuxi, China	Leasehold November 2052	11,190.9 sq metres	Commercial building	Shopping complex and office (19)	91.2	March 2018

ANALYSIS OF SHAREHOLDINGS

Issued Shares as at 31 March 2026

Total Number of Issued Shares	:	1,148,902,050
Class of Shares	:	Ordinary shares
Voting Rights	:	1 vote per ordinary share

Distribution of Shareholdings as at 31 March 2026

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	3,044	23.03	93,878	0.01
100 to 1,000	2,298	17.39	935,059	0.08
1,001 to 10,000	4,904	37.11	19,636,226	1.71
10,001 to 100,000	2,381	18.02	81,150,284	7.06
100,001 to less than 5% of issued shares	583	4.41	594,694,979	51.76
5% and above of issued shares	5	0.04	452,391,624	39.38
	<u>13,215</u>	<u>100.00</u>	<u>1,148,902,050</u>	<u>100.00</u>

Substantial Shareholders as at 31 March 2026

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% of Shares	No. of Shares	% of Shares
1. Tan Sri Cheng Heng Jem	286,923,039	24.97	339,592,650	29.56
2. Lion Industries Corporation Berhad	70,617,853	6.15	233,693,845	20.34
3. LLB Steel Industries Sdn Bhd	–	–	233,693,845	20.34
4. Steelcorp Sdn Bhd	–	–	233,693,845	20.34
5. Amsteel Mills Sdn Bhd	177,559,617	15.45	56,134,228	4.89
6. Ireliia Management Sdn Bhd	95,435,700	8.31	–	–

Thirty Largest Registered Shareholders as at 31 March 2026

Registered Shareholders	No. of Shares	% of Shares
1. Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Cheng Heng Jem (419450)	143,987,730	12.53
2. Irelija Management Sdn Bhd	95,435,700	8.31
3. Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheng Heng Jem (M09)	90,035,346	7.84
4. RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Amsteel Mills Sdn Bhd-1	61,689,636	5.37
5. RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Amsteel Mills Sdn Bhd-2	61,243,212	5.33
6. RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Lion Posim Berhad	56,000,000	4.87
7. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheng Heng Jem	52,899,963	4.60
8. RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Amsteel Mills Sdn Bhd-3	30,672,692	2.67
9. Cartaban Nominees (Tempatan) Sdn Bhd icapital.biz Berhad	22,942,298	2.00
10. Cheng Yong Kim	20,774,927	1.81
11. RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Lion Industries Corporation Bhd-2	19,530,790	1.70
12. RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Lion Industries Corporation Bhd-1	19,084,365	1.66
13. Affin Hwang Nominees (Tempatan) Sdn Bhd Trillionvest Sdn Bhd	18,146,213	1.58
14. Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lion Industries Corporation Berhad (LIO0157M)	17,215,066	1.50
15. RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Amsteel Mills Sdn Bhd	14,487,530	1.26
16. RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Lion Industries Corporation Bhd-3	12,577,911	1.09
17. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Trillionvest Sdn Bhd (3rd pty)	12,473,000	1.09
18. HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore BCH)	10,351,200	0.90
19. RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Amsteel Mills Sdn Bhd-4	9,466,547	0.82
20. Tan Jenn Hwai	7,924,400	0.69
21. Gan Jinn Sheng	7,744,200	0.67
22. Lion Holdings Private Limited	7,006,526	0.61
23. Loh Kian Chong	6,793,000	0.59
24. Lion-Parkson Foundation	5,816,389	0.51
25. CIMB Group Nominees (Asing) Sdn Bhd Exempt AN for DBS Bank Ltd (SFS)	5,717,376	0.50
26. Affin Hwang Nominees (Asing) Sdn Bhd Exempt AN for Phillip Securities (Hong Kong) Ltd (Clients' Account)	4,524,065	0.39
27. Maybank Nominees (Asing) Sdn Bhd MTrustee Berhad for Excel Step Investments Limited (419463)	4,218,816	0.37
28. Tay Hong Seng	4,200,000	0.37
29. Moomoo Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Thiam Wun	3,647,100	0.32
30. Gan Jinn Keong	3,216,800	0.28

Directors' Interests in Shares in the Company and its Related Corporations as at 31 March 2026

The Directors' interests in shares in the Company and its related corporations as at 31 March 2026 are as follows:

	Direct Interest		Deemed Interest	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%
The Company				
Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin	–	–	500,000	0.04
Tan Sri Cheng Heng Jem	286,923,039	24.97	339,994,089	29.60
Ooi Kim Lai	197	Negligible	–	–

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

Related Corporations

Tan Sri Cheng Heng Jem

Parkson Myanmar Investment Company Pte Ltd	–	–	2,100,000	70.00
Parkson Retail Asia Limited ("PRA")	500,000	0.07	457,933,300	67.96
Parkson Retail Group Limited	–	–	1,448,270,000 #	54.97

Cheng Hui Yen, Natalie

PRA	50,000	0.01	–	–
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Investments in the People's Republic of China	Deemed Interest	
	Rmb	% of Holdings

Tan Sri Cheng Heng Jem

Guizhou Shenqi Parkson Retail Development Co Ltd	10,200,000	60.00
Lion Food & Beverage Ventures Limited	3,640,000	91.00
Qingdao No. 1 Parkson Co Ltd	223,796,394	95.91
Wuxi Sanyang Parkson Plaza Co Ltd	48,000,000	60.00

Note:

Ordinary shares of HK\$0.02 each.

Other than as disclosed above, none of the other Directors of the Company had any interest in shares in the Company or its related corporations as at 31 March 2026.

MATERIAL CONTRACTS INVOLVING THE INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

- (a) Conditional Option Agreement dated 13 September 2013 and supplemented by the Letters dated 7 February 2014, 2 June 2017, 28 February 2020, 31 December 2020, 30 December 2022 and 31 December 2024, and the Supplemental Option Agreement dated 12 May 2014 (collectively, the "Said Option Agreements") entered into between True Excel Investments (Cambodia) Co., Ltd ("True Excel") (a wholly-owned subsidiary of Parkson Holdings Berhad) as grantee and PP.SW Development Co. Ltd ("PP.SW"), a company in which a Director who is also a major shareholder of the Company has interest, as grantor wherein True Excel is granted the option to enter into a lease agreement ("Option to Lease") for the lease of the lower ground floor and first floor of a mall to be constructed at Sangkat Kakap, Khan Dang Kor, Phnom Penh, Cambodia for a term of 50 years with automatic renewal for another 50 years for an indicative refundable deposit of approximately US\$42.00 million (equivalent to approximately RM168.00 million) to be satisfied wholly in cash upon the terms and conditions of the Said Option Agreements. The commencement date to exercise the Option to Lease had been further extended to 31 December 2026.
- (b) Conditional Sale and Purchase Agreement dated 13 September 2013 and supplemented by the Letters dated 7 February 2014, 2 June 2017, 28 February 2020, 31 December 2020, 30 December 2022 and 31 December 2024, and the Supplemental Conditional Sale and Purchase Agreement dated 12 May 2014 (collectively, the "Said Sale and Purchase Agreements") entered into between PP.SW as vendor and True Excel as purchaser for the purchase by True Excel of the second to seventh floors of a mall to be constructed at Sangkat Kakap, Khan Dang Kor, Phnom Penh, Cambodia ("Property") for an indicative consideration of approximately US\$75.09 million (equivalent to approximately RM300.36 million) to be satisfied wholly in cash upon the terms and conditions of the Said Sale and Purchase Agreements. The handover date of the Property had been further extended until 31 December 2026 for PP.SW to complete and hand over the Property to True Excel.

OTHER INFORMATION

(I) NON-AUDIT FEES

The amount of non-audit fees paid or payable to External Auditors and its affiliated companies for the financial year ended 31 December 2025 by the Group and by the Company were RM192,000 (2024: RM314,000) and RM8,000 (2024: RM8,000) respectively.

(II) RECURRENT RELATED PARTY TRANSACTIONS

The aggregate value of transactions conducted during the financial year ended 31 December 2025 were as follows:

Nature of Recurrent Transactions	Related Parties	Amount RM'000
Obtaining of management and support, office equipment, vehicle component parts, training and other related products and services	Lion Industries Corporation Berhad ("LICB") Group ⁽ⁱ⁾	538
	Lion Corporation Berhad ("LCB") Group ⁽ⁱⁱ⁾	33
		571

Notes:

- (i) LICB Group : LICB and its subsidiaries, excluding public companies
(ii) LCB Group : LCB and its subsidiaries and associated companies

The Related Parties are companies in which a Director and certain major shareholders of the Company have substantial interests.

(III) DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM)	2024 (RM)
Revenue		2,535,899,000	2,805,074,000
Other income		404,397,000	343,916,000
Finance income		30,923,000	37,522,000
Share of result of associates		7,642,000	9,192,000
Total		2,978,861,000	3,195,704,000
Total Assets		7,734,865,000	8,317,857,000

(III) DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (continued)

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Liquor and liquor-related activities		4,419,000	6,031,000
Pork and pork-related activities		1,275,000	1,180,000
Finance income		12,680,000	14,104,000
Rental income received from tenant involved in Shariah non-compliant activities		115,239,000	119,577,000
Total		133,613,000	140,892,000

(C) Component of Financial Position

(i) Cash Component

Islamic Account/ Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash in hand		3,280,000	3,779,000
Cash at bank			
(exclude cash in hand)		34,237,000	59,594,000
Deposits with licensed bank		190,294,000	104,558,000
Other cash equivalents	Deposits with licensed finance companies	176,000,000	298,000,000
Total		403,811,000	465,931,000
Conventional Account/ Instruments			
Cash at bank			
(exclude cash in hand)		747,055,000	785,612,000
Deposits with licensed bank		156,557,000	143,547,000
Total		903,612,000	929,159,000

(III) DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (continued)

(C) Component of Financial Position (continued)

(ii) Debt Component

Islamic Financing	Remarks	2025 (RM)	Group 2024 (RM)
Current			
Sukuk		136,980,000	89,906,000
Revolving credit and financing		4,838,000	13,726,000
Non-Current			
Sukuk		213,517,000	115,423,000
Revolving credit and financing		23,152,000	22,007,000
Total		378,487,000	241,062,000
Conventional Borrowing			
Current			
Bank borrowings		58,810,000	61,310,000
Banker's acceptances		6,238,000	5,903,000
Bank overdrafts		–	191,000
Other interest bearing debt	Lenders from non-financial institutions	32,461,000	98,437,000
Hire purchase payables		–	22,000
Non-Current			
Bank borrowings		1,289,981,000	1,420,743,000
Other interest bearing debt	Lenders from non-financial institutions	12,176,000	–
Total		1,399,666,000	1,586,606,000

FINANCIAL STATEMENTS

Contents	Pages
Directors' report	1 - 8
Statement by Directors	9
Statutory declaration	9
Independent auditors' report	10 - 18
Statements of profit or loss	19
Statements of other comprehensive income	20
Consolidated statement of financial position	21 - 22
Company statement of financial position	23
Consolidated statement of changes in equity	24
Company statement of changes in equity	25
Statements of cash flows	26 - 28
Notes to the financial statements	29 - 140

198201009470 (89194-P)

Parkson Holdings Berhad
(Incorporated in Malaysia)

Directors' report

The Directors hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

Principal activities

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

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

Results

	Group RM'000	Company RM'000
Loss for the financial year	<u>(74,573)</u>	<u>(1,305)</u>
Loss for the financial year attributable to:		
Owners of the parent	(41,466)	(1,305)
Non-controlling interests	<u>(33,107)</u>	<u>-</u>
	<u>(74,573)</u>	<u>(1,305)</u>

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than in respect of the Group, impairment losses on property, plant and equipment, an investment property, right-of-use assets and intangible assets totalling RM190,194,000.

Dividend

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

198201009470 (89194-P)

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

Issues of shares and debentures

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

Directors

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

Datuk Seri Utama Raja Nong Chik bin
Dato' Raja Zainal Abidin (Appointed on 27 November 2025)
Tan Sri Cheng Heng Jem
Cheng Hui Yen, Natalie
Dato' Eow Kwan Hoong
Liew Jee Min @ Chong Jee Min
Ooi Kim Lai
Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat (Resigned with effect from 27 November 2025)

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

Au Jin Ee
Bernadette Chong Yin Wah
Chai Woon Chew
Chang Chae Young
Cheng Hui Yen, Natalie
Cheng Hui Yuen, Vivien
Cheong Tuck Yee
Chong Cheng Tong
Chong Chin Fong (Appointed on 15 July 2025)
Dato' Fu Ah Kiow
Dato' Sri Dr. Hou Kok Chung
Datuk Koong Lin Loong
Goh Mei Chin
Gui Cheng Hock
Huo Jian Ming
Jin Xu Dong (Appointed on 27 November 2025)
Juliana Cheng San San
Khor Ching Wee
Li Bing
Li Hua (Appointed on 12 September 2025)

198201009470 (89194-P)

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

Directors (cont'd.)

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

Ma Li

Norman Siu Yong Ching Jr

Ooi Kim Lai

Poh Wan Chung

Pong Yuet Yee

Pun Chi Tung, Melvyn

Sam Chong Keen

Tan Boon Heng

Tan Sri Cheng Heng Jem

Wang Wei Hai

Wong Siu Sze

Xu Jing Chao

Yau Ming Kim, Robert

Yeo Keng Leong

Yoong Kang Chee

(Appointed on 25 November 2025)

Yu KaiYan

Zhang Ji Ning

Zhang Jun

Zhang Pei

Zhang Zhi Jun

Zhou Jia

Haji Mohamad Khalid bin Abdullah

(Resigned with effect from 7 May 2025)

Jin Chun Xu

(Resigned with effect from 9 December 2025)

Loh Chai Hoon

(Resigned with effect from 27 June 2025)

Ng Ho Peng

(Resigned with effect from 26 March 2025)

Tan Kim Kee

(Resigned with effect from 26 March 2025)

Wang Wing Ying

(Resigned with effect from 26 March 2025)

Parkson Holdings Berhad
(Incorporated in Malaysia)

Directors' benefits

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

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

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

	Group RM'000	Company RM'000
Executive Directors:		
Fees	344	72
Salaries and other emoluments, and pension costs	2,926	128
	<u>3,270</u>	<u>200</u>
Non-executive Directors:		
Fees	188	188
Other emoluments	44	44
	<u>232</u>	<u>232</u>
Total	<u>3,502</u>	<u>432</u>

Indemnity and insurance for Directors and Officers

The Directors and Officers of the Group and of the Company are covered under a Directors' and Officers' Liability Insurance up to an aggregate limit of US\$20 million (equivalent to approximately RM81.15 million) against any legal liability, if incurred by the Directors and Officers of the Group and of the Company in the discharge of their duties while holding office for the Company and its subsidiaries.

Auditors' indemnity

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

198201009470 (89194-P)

Parkson Holdings Berhad
(Incorporated in Malaysia)

Directors' interests

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

	1.1.2025	Number of ordinary shares		31.12.2025
		Acquired	Disposed	
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

	27.11.2025 [^]	Number of ordinary shares		31.12.2025
		Acquired	Disposed	
Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin				
Deemed interest	500,000	-	-	500,000

[^] Date of appointment as Director.

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

Direct Interest

	1.1.2025	Number of ordinary shares		31.12.2025
		Acquired	Disposed	
Parkson Retail Asia Limited ("PRA")				
Tan Sri Cheng Heng Jem	500,000	-	-	500,000
Cheng Hui Yen, Natalie	50,000	-	-	50,000

198201009470 (89194-P)

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

Directors' interests (cont'd.)

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

**Tan Sri Cheng Heng Jem
Deemed Interest**

	1.1.2025	Number of ordinary shares		31.12.2025
		Acquired	Disposed	
Parkson Myanmar Investment Company Pte Ltd	2,100,000	-	-	2,100,000
PRA	457,933,300	-	-	457,933,300

	1.1.2025	Number of ordinary shares of HK\$0.02 each		31.12.2025
		Acquired	Disposed	
Parkson Retail Group Limited	1,448,270,000	-	-	1,448,270,000

	Currency	1.1.2025	Acquired	Disposed	31.12.2025
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**Investments in
the People's
Republic of
China**

Guizhou Shenqi Parkson Retail Development Co Ltd	Rmb	10,200,000	-	-	10,200,000
Lion Food & Beverage Ventures Limited	Rmb	3,640,000	-	-	3,640,000
Qingdao No. 1 Parkson Co Ltd	Rmb	223,796,394	-	-	223,796,394
Wuxi Sanyang Parkson Plaza Co Ltd	Rmb	48,000,000	-	-	48,000,000

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

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

Other statutory information

- (a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading;
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and
 - (iv) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable, or is likely to become enforceable within the period of 12 months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

198201009470 (89194-P)

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

Auditors and auditors' remuneration

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

The remuneration of the auditors of the Group and of the Company for the financial year ended 31 December 2025 amounted to RM4,179,000 and RM40,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 31 March 2026.



TAN SRI CHENG HENG JEM
Managing Director

Kuala Lumpur, Malaysia



CHENG HUI YEN, NATALIE
Executive Director

198201009470 (89194-P)

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

**Statement by Directors
Pursuant to Section 251(2) of the Companies Act 2016**

We, Tan Sri Cheng Heng Jem and Cheng Hui Yen, Natalie, being two of the Directors of Parkson Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 19 to 140 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2025 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 31 March 2026.



TAN SRI CHENG HENG JEM
Managing Director



CHENG HUI YEN, NATALIE
Executive Director

Kuala Lumpur, Malaysia

**Statutory declaration
Pursuant to Section 251(1)(b) of the Companies Act 2016**

I, Tan Sri Cheng Heng Jem, the Director primarily responsible for the financial management of Parkson Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 19 to 140 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 31 March 2026.



TAN SRI CHENG HENG JEM

Before me,

Commissioner for Oaths
Kuala Lumpur



SUITE 9.05, TINGKAT 9
MENARA RAJA LAUT
NO. 288 JALAN RAJA LAUT
50350 KUALA LUMPUR

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PARKSON HOLDINGS BERHAD

(Incorporated in Malaysia)

198201009470 (89194-P)

Grant Thornton Malaysia PLT

Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
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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 2025 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 19 to 140.

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 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

198201009470 (89194-P)

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

Key Audit Matters

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

Key Audit Matters

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 RM11,079,000 as at 31 December 2025 in current liabilities in respect of customer loyalty programme.

The quantum of deferred revenue recognised at each reporting period requires management's estimates in relation to the historical trends of redemption of customer loyalty points.

The aforementioned factors gave rise to higher risk of material misstatements from the perspective of timing of recognition and the amount of revenue to be recognised.

Accordingly, we identified revenue recognition to be an area of audit focus as the magnitude and the high volume of transactions may give rise to a higher risk of material misstatements relating to timing and the amount of revenue recognised.

The disclosures for revenue and deferred revenue of the Group are included in Notes 4 and 31 respectively to the financial statements.

Our audit procedures included, amongst others:

- involved our information technology specialists to test the operating effectiveness of the automated controls of the information technology systems;
- tested the information technology dependent manual and manual controls in place to ensure the completeness and accuracy of revenue recognised;
- performed procedures to corroborate the occurrence of revenue by tracing samples of cash receipts to the settlement reports from financial institutions;
- tested the reconciliation of data between the Point of Sales system and the general ledger to corroborate the completeness of revenue;
- assessed the accuracy of deferred revenue recognition using the historical rates of redemption of the customer loyalty points used by management; and
- performed cut-off procedures to determine if revenue is recorded in the correct accounting period.

198201009470 (89194-P)

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

Key Audit Matters (cont'd.)

Key Audit Matters

Impairment of property, plant and equipment and right-of-use assets

The Group primarily operates retail stores as well as food and beverage stores in Malaysia and China. The Group recognised property, plant and equipment and right-of-use assets with carrying amounts of RM1,498,640,000 and RM2,044,125,000, representing 27% and 37% respectively of total non-current assets of the Group as at 31 December 2025.

On an annual basis, management is required to assess for indications of impairment to determine if impairment assessment should be carried out. Having considered the loss-making performance of certain stores, management performed impairment testing with respective assets of those loss-making stores.

The impairment testing requires management to make assumptions in the underlying cash flow forecast and projections. The assumptions include expectations for gross margin, growth rates and discount rates, as well as the overall market and economic conditions in the markets. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter.

The disclosures for property, plant and equipment and right-of-use assets of the Group are included in Notes 11 and 13(a) respectively to the financial statements.

How our audit address the Key Audit Matters

Our audit procedures included, amongst others:

- obtained understanding of the Group's policies and procedures to identify indications of impairment of assets relating to loss-making stores;
- held discussions with management and the auditors of the subsidiaries to obtain an understanding of assumptions used in the cash flow forecast and projections;
- examined approved cash flow forecast and projections as well as historical trend analysis;
- compared the key assumptions used in the impairment assessments to historical performance, external data reflecting current market conditions and our understanding of the business, in particular gross margin and growth rates used in determining the value in use at each cash-generating unit ("CGU") level;
- performed sensitivity analysis of the key assumptions and determined if the carrying amount of CGU materially exceeded the recoverable amount;
- involved our internal specialists to assist us in evaluating the appropriateness of discount rates, methodologies and assumptions used in the cash flow forecast and projections; and

198201009470 (89194-P)

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

Key Audit Matters (cont'd.)

Key Audit Matters

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

Impairment of goodwill

The Group has a balance of goodwill of RM882,697,000 representing 16% of total non-current assets of the Group as at 31 December 2025.

On an annual basis, management is required to perform an impairment assessment of the CGUs to which the goodwill has been allocated.

The impairment testing requires management to make assumptions in the underlying cash flow forecast and projections. The assumptions include expectations for gross margin, growth rates and discount rates, as well as the overall market and economic conditions in the markets. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter.

The disclosures for goodwill of the Group are included in Note 14 to the financial statements.

How our audit address the Key Audit Matters

Our audit procedures included, amongst others: (cont'd.)

- assessed the adequacy of disclosures in relation to impairment assessment including those assumptions to which the outcome of the impairment test is most sensitive, that have the most significant effect on the determination of the recoverable amount of the assets.

Our audit procedures included, amongst others:

- obtained understanding of the Group's policies and the relevant internal methodologies applied in determining the CGUs and the recoverable amounts;
- held discussions with management and the auditors of the subsidiaries to obtain an understanding of assumptions used in the cash flow forecast and projections;
- examined approved cash flow forecast and projections as well as historical trend analysis;
- compared the key assumptions used in the impairment assessments to historical performance, external data reflecting current market conditions and our understanding of the business, in particular gross margin and growth rates used in determining the value in use at each CGU level;
- performed sensitivity analysis of the key assumptions and determined if the carrying amount of CGU materially exceeded the recoverable amount;

198201009470 (89194-P)

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

Key Audit Matters (cont'd.)

Key Audit Matters

Impairment of goodwill (cont'd.)

Impairment assessment of interests in subsidiaries (Parent company only)

The Company has balance of interests in subsidiaries of RM2,705,634,000 as at 31 December 2025.

On an annual basis, management is required to assess for indications of impairment to determine if impairment assessment should be carried out.

The impairment testing requires management to make assumptions in the underlying cash flow forecast and projections. The assumptions include expectations for gross margin, growth rates and discount rates, as well as the overall market and economic conditions in the markets. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter.

The disclosures for interests in subsidiaries of the Company are included in Note 15 to the financial statements.

How our audit address the Key Audit Matters

Our audit procedures included, amongst others: (cont'd.)

- involved our internal specialists to assist us in evaluating the appropriateness of discount rates, methodologies and assumptions used in the cash flow forecast and projections; and
- assessed the adequacy of disclosures in relation to impairment assessment including those assumptions to which the outcome of the impairment test is most sensitive, that have the most significant effect on the determination of the recoverable amount of the assets.

Our audit procedures included, amongst others:

- obtained understanding of the Group's policies and procedures to identify indication of impairment of assets relating to loss-making subsidiaries;
- held discussions with management and the auditors of the subsidiaries to obtain an understanding of assumptions used in the cash flow forecast and projections;
- examined approved cash flow forecast and projections as well as historical trend analysis;
- compared the key assumptions used in the impairment assessments to historical performance, external data reflecting current market conditions and our understanding of the business, in particular gross margin and growth rates used in determining the value in use at each CGU level, and considering the viability of future plans, local economic conditions and industry outlook;

198201009470 (89194-P)

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

Key Audit Matters (cont'd.)

Key Audit Matters

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

How our audit address the Key Audit Matters

Our audit procedures included, amongst others: (cont'd.)

- performed sensitivity analysis of the key assumptions and determined if the carrying amount of CGU materially exceeded the recoverable amount;
- involved our internal valuation specialists to assist us in evaluating the appropriateness of discount rate, methodologies and assumptions used in the cash flow forecast and projections; and
- assessed the adequacy of disclosures in relation to impairment assessment including those assumptions to which the outcome of the impairment test is most sensitive, that have the most significant effect on the determination of the recoverable amount of the assets.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

198201009470 (89194-P)

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

198201009470 (89194-P)

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

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

198201009470 (89194-P)

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

Report on Other Legal and Regulatory Requirements

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

Other Matters

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



Grant Thornton Malaysia PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants (AF 0737)



Lian Tian Kwee
(No: 02943/05/2027 J)
Chartered Accountant

Kuala Lumpur, Malaysia
31 March 2026

Parkson Holdings Berhad
(Incorporated in Malaysia)

Statements of profit or loss
For the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	4	2,535,899	2,805,074	-	11,400
Other income	5	404,397	343,916	-	-
Purchase of goods and changes in inventories		(1,072,083)	(1,229,572)	-	-
Employee benefits expense	6	(418,616)	(437,814)	(201)	(204)
Depreciation and amortisation		(427,738)	(482,042)	(1)	(1)
Promotional and advertising expenses		(29,863)	(34,136)	-	-
Rental expenses		(63,527)	(69,317)	-	-
Other expenses	8(d)	(483,385)	(480,316)	(1,440)	(1,477)
Operating profit/(loss)		445,084	415,793	(1,642)	9,718
Finance income	7	30,923	37,522	61	95
Finance costs	7	(300,940)	(340,348)	-	-
Share of results of associates		7,642	9,192	-	-
Reversal of impairment loss on amounts due from subsidiaries	19	-	-	419	2,081
Impairment loss on:					
- Property, plant and equipment	11	(62,195)	(31,300)	-	-
- An investment property	12	(19,750)	(7,018)	-	-
- Right-of-use assets	13(a)	(45,985)	(19,797)	-	-
- Intangible assets	14	(62,264)	(75,263)	-	-
- Other receivables	21	-	(60,995)	-	-
- Amount due from a subsidiary	19	-	-	-	(3,352)
(Loss)/profit before tax	8	(7,485)	(72,214)	(1,162)	8,542
Income tax expense	9	(67,088)	(54,975)	(143)	(308)
(Loss)/profit for the financial year		(74,573)	(127,189)	(1,305)	8,234
(Loss)/profit for the financial year attributable to:					
Owners of the parent		(41,466)	(102,028)	(1,305)	8,234
Non-controlling interests	15(a)	(33,107)	(25,161)	-	-
		(74,573)	(127,189)	(1,305)	8,234
Loss per share (sen):					
Basic and diluted	10	(3.61)	(8.88)		

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

198201009470 (89194-P)

Parkson Holdings Berhad
(Incorporated in Malaysia)

Statements of other comprehensive income
For the financial year ended 31 December 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(Loss)/profit for the financial year	(74,573)	(127,189)	(1,305)	8,234
<u>Other comprehensive loss</u>				
Item that may be reclassified subsequently to profit or loss:				
Foreign currency translation	(80,642)	(100,171)	-	-
Total comprehensive (loss)/income for the financial year	(155,215)	(227,360)	(1,305)	8,234
Total comprehensive (loss)/income for the financial year attributable to:				
Owners of the parent	(88,107)	(154,465)	(1,305)	8,234
Non-controlling interests	(67,108)	(72,895)	-	-
	(155,215)	(227,360)	(1,305)	8,234

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

Consolidated statement of financial position
As at 31 December 2025

	Note	2025 RM'000	2024 RM'000
Assets			
Non-current assets			
Property, plant and equipment	11	1,498,640	1,696,420
Investment properties	12	427,295	476,528
Right-of-use assets	13(a)	2,044,125	2,109,295
Intangible assets	14	882,914	993,128
Investments in associates	16	30,109	32,171
Investments in joint ventures	17	-	-
Deferred tax assets	18	176,982	186,651
Trade receivables	20	485,777	415,150
Other receivables	21	23,871	50,761
Investment securities	22	1,570	1,573
Time deposits	23	14,107	16,064
		<u>5,585,390</u>	<u>5,977,741</u>
Current assets			
Inventories	24	238,037	333,975
Trade and other receivables	20	572,780	586,065
Investment securities	22	44,793	40,885
Tax recoverable		549	165
Deposits, cash and bank balances	23	1,293,316	1,379,026
		<u>2,149,475</u>	<u>2,340,116</u>
Total assets		<u>7,734,865</u>	<u>8,317,857</u>
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	25	2,160,580	2,160,580
Other reserves	26	(1,596,888)	(1,552,086)
Retained profits		629,089	672,394
		<u>1,192,781</u>	<u>1,280,888</u>
Non-controlling interests	15(a)	785,230	894,875
Total equity		<u>1,978,011</u>	<u>2,175,763</u>

198201009470 (89194-P)

Parkson Holdings Berhad
(Incorporated in Malaysia)

Consolidated statement of financial position
As at 31 December 2025 (cont'd.)

	Note	2025 RM'000	2024 RM'000
Equity and liabilities (cont'd.)			
Non-current liabilities			
Deferred tax liabilities	18	97,388	108,767
Loans and borrowings	27	1,538,826	1,558,173
Long term payables	28	1,408	1,636
Provisions	29	18,112	19,988
Lease liabilities	13(b)	2,172,281	2,218,083
		<u>3,828,015</u>	<u>3,906,647</u>
Current liabilities			
Trade and other payables	30	974,510	1,122,817
Contract liabilities	31	336,626	391,640
Loans and borrowings	27	239,327	269,473
Provisions	29	6,641	5,658
Lease liabilities	13(b)	350,146	429,728
Tax payables		21,589	16,131
		<u>1,928,839</u>	<u>2,235,447</u>
Total liabilities		<u>5,756,854</u>	<u>6,142,094</u>
Total equity and liabilities		<u>7,734,865</u>	<u>8,317,857</u>

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

Company statement of financial position
As at 31 December 2025

	Note	2025 RM'000	2024 RM'000
Assets			
Non-current assets			
Property, plant and equipment	11	1	2
Intangible assets	14	28	28
Interests in subsidiaries	15	2,705,634	2,706,850
Amounts due from subsidiaries	19	-	-
		<u>2,705,663</u>	<u>2,706,880</u>
Current assets			
Trade and other receivables	20	9	14
Amounts due from subsidiaries	19	2,865	230
Tax recoverable		184	-
Deposits, cash and bank balances	23	2,394	5,198
		<u>5,452</u>	<u>5,442</u>
Total assets		<u>2,711,115</u>	<u>2,712,322</u>
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	25	2,160,580	2,160,580
Other reserves	26	2,905,831	2,905,831
Accumulated losses		(2,359,036)	(2,357,731)
Total equity		<u>2,707,375</u>	<u>2,708,680</u>
Current liabilities			
Trade and other payables	30	1,162	1,167
Amounts due to subsidiaries	32	2,578	2,475
Total liabilities		<u>3,740</u>	<u>3,642</u>
Total equity and liabilities		<u>2,711,115</u>	<u>2,712,322</u>

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

Consolidated statement of changes in equity
For the financial year ended 31 December 2025

	← Attributable to owners of the parent →			Total	Non-controlling interests	Total equity
	Share capital	Other reserves	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	(Note 25)	(Note 26)				
At 1 January 2025	2,160,580	(1,552,086)	672,394	1,280,888	894,875	2,175,763
Total comprehensive loss for the financial year	-	(46,641)	(41,466)	(88,107)	(67,108)	(155,215)
Transactions with owners						
Transfer to capital reserves	-	1,839	(1,839)	-	-	-
Dividends to non-controlling interests	-	-	-	-	(42,537)	(42,537)
Total transactions with owners	-	1,839	(1,839)	-	(42,537)	(42,537)
At 31 December 2025	2,160,580	(1,596,888)	629,089	1,192,781	785,230	1,978,011
At 1 January 2024	2,160,580	(1,499,712)	774,485	1,435,353	982,171	2,417,524
Total comprehensive loss for the financial year	-	(52,437)	(102,028)	(154,465)	(72,895)	(227,360)
Transactions with owners						
Transfer to capital reserves	-	63	(63)	-	-	-
Dividends to non-controlling interests	-	-	-	-	(14,401)	(14,401)
Total transactions with owners	-	63	(63)	-	(14,401)	(14,401)
At 31 December 2024	2,160,580	(1,552,086)	672,394	1,280,888	894,875	2,175,763

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

198201009470 (89194-P)

Parkson Holdings Berhad
(Incorporated in Malaysia)

Company statement of changes in equity
For the financial year ended 31 December 2025

	← Non-distributable →			
	Share capital RM'000 (Note 25)	Other reserves RM'000 (Note 26)	Accumulated losses RM'000	Total equity RM'000
At 1 January 2025	2,160,580	2,905,831	(2,357,731)	2,708,680
Total comprehensive loss for the financial year	-	-	(1,305)	(1,305)
At 31 December 2025	2,160,580	2,905,831	(2,359,036)	2,707,375
At 1 January 2024	2,160,580	2,905,831	(2,365,965)	2,700,446
Total comprehensive income for the financial year	-	-	8,234	8,234
At 31 December 2024	2,160,580	2,905,831	(2,357,731)	2,708,680

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows

For the financial year ended 31 December 2025

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
(Loss)/profit before tax	(7,485)	(72,214)	(1,162)	8,542
Adjustments for:				
Depreciation and amortisation	427,738	482,042	1	1
Write off of property, plant and equipment	773	373	-	-
Impairment loss on:				
- Property, plant and equipment	62,195	31,300	-	-
- An investment property	19,750	7,018	-	-
- Right-of-use assets	45,985	19,797	-	-
- Intangible assets	62,264	75,263	-	-
- Receivables	65,797	93,336	-	-
- Amount due from a subsidiary	-	-	-	3,352
Gain on liquidation of a subsidiary	(2,235)	-	-	-
Write down of inventories	930	327	-	-
Write back of inventory obsolescence	(160)	(1,798)	-	-
Reversal of impairment loss on:				
- Property, plant and equipment	(930)	(9,131)	-	-
- Right-of-use assets	(659)	(3,799)	-	-
- Receivables	(1,026)	(2,269)	-	-
- Amounts due from subsidiaries	-	-	(419)	(2,081)
Unrealised foreign currency exchange gain	(13,693)	(9,427)	-	-
Loss on disposal of property, plant and equipment	2,602	1,282	-	-
Rent concessions	(222)	(827)	-	-
Share of results of associates	(7,642)	(9,192)	-	-
Finance costs	300,940	340,348	-	-
Finance income	(30,923)	(37,522)	(61)	(95)
Income from subleasing right-of-use assets	(11,277)	(1,406)	-	-
Gain from lease modification and lease termination	(85,828)	(23,854)	-	-
Dividend income from a subsidiary	-	-	-	(11,400)
Operating profit/(loss) before working capital changes	826,894	879,647	(1,641)	(1,681)

Parkson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows

For the financial year ended 31 December 2025 (cont'd.)

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
(cont'd.)				
Operating profit/(loss) before working capital changes, brought forward	826,894	879,647	(1,641)	(1,681)
Changes in working capital:				
Inventories	78,902	6,562	-	-
Receivables	(175,896)	(156,537)	(995)	(5,797)
Payables	(94,365)	(49,377)	98	537
Cash flows generated from/ (used in) operations	635,535	680,295	(2,538)	(6,941)
Taxes paid	(67,572)	(100,750)	(327)	(308)
Interest paid	(98,432)	(127,533)	-	-
Interest received	19,443	24,977	61	95
Net cash flows generated from/ (used in) operating activities	488,974	476,989	(2,804)	(7,154)
Cash flows from investing activities				
Purchase of property, plant and equipment (Note 11(iv))	(53,124)	(67,641)	-	-
Proceeds from disposal of property, plant and equipment	75	82	-	-
Proceeds from divestment of an associate	1,745	-	-	-
Proceeds from subleases	52,918	63,231	-	-
Dividends received from:				
- Associates	6,045	8,431	-	-
- A subsidiary	-	-	-	11,400
Changes in:				
- Investment securities	(6,081)	(5,607)	-	-
- Deposits with banks	(8,150)	3,499	-	-
Net cash flows (used in)/generated from investing activities	(6,572)	1,995	-	11,400

Parkson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows

For the financial year ended 31 December 2025 (cont'd.)

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Dividends paid to non-controlling interests	(42,537)	(14,401)	-	-
Proceeds from loans and borrowings (Note 27)	179,782	1,783,604	-	-
Repayment of loans and borrowings (Note 27)	(146,181)	(1,662,785)	-	-
Payment of lease liabilities	(500,414)	(603,912)	-	-
Net cash flows used in financing activities	<u>(509,350)</u>	<u>(497,494)</u>	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(26,948)	(18,510)	(2,804)	4,246
Effects of changes in exchange rates	(66,223)	(73,974)	-	-
Cash and cash equivalents at beginning of the financial year	1,339,767	1,432,251	5,198	952
Cash and cash equivalents at end of the financial year (Note 23)	1,246,596	1,339,767	2,394	5,198

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

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

**Notes to the financial statements
For the financial year ended 31 December 2025**

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 31 March 2026.

2. Summary of material accounting policies

2.1 Basis of preparation

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

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

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

2.2 Adoption of amendments to MFRS

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

On 1 January 2025, the Group and the Company adopted the following amendments to MFRS which are mandatory for annual periods beginning on or after 1 January 2025:

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

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

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

2.3 Standards issued but not yet effective

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

Effective for annual periods beginning on or after 1 January 2026

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

Effective for annual periods beginning on or after 1 January 2027

- MFRS 18 Presentation and Disclosure in Financial Statements
- MFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency

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

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

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

MFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

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

The above standards and amendments are not expected to have a material impact on the financial statements of the Group and of the Company in the period of initial application, except for the following: (cont'd.)

MFRS 18 Presentation and Disclosure in Financial Statements (cont'd.)

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

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

2.4 Investments in subsidiaries

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

2.5 Investments in associates and joint ventures

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

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

2.6 Property, plant and equipment, and depreciation

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

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

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

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

2.6 Property, plant and equipment, and depreciation (cont'd.)

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

2.7 Investment properties

Investment properties and investment properties under construction ("IPUC") are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. These investment properties are depreciated to write off the value over the unexpired lease terms ranging from 32 to 42 years (2024: 32 to 42 years). IPUC are not depreciated as they are not yet ready for their intended use.

2.8 Intangible assets

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

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

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

- Computer software

Computer software of the Group is amortised on a straight-line basis over their estimated useful lives ranging from 5 to 8 years (2024: 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 (2024: 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 (2024: 10 to 14 years).

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

2.9 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. Land use rights are amortised over their original lease terms which range from 42 to 45 years (2024: 42 to 45 years).

2.10 Impairment of non-financial assets

The following assets have specific characteristics for impairment testing:

Goodwill

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

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

Intangible assets

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

2.11 Inventories

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

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

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

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

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

2.12 Government grants

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

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

2.13 Leases

(a) Lease and non-lease components

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

(b) Recognition exemption

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

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

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

2.14 Revenue recognition

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

(a) Sales of goods - direct sales

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

(b) Commissions from concessionaire sales

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

(c) Revenue from services

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

(d) Promotion income and sales commissions

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

(e) Consultancy and management service fees

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

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

2.14 Revenue recognition (cont'd.)

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

(f) Revenue from customer loyalty award

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

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

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

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

(g) Revenue from food and beverage operations

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

(h) Revenue from credit services

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

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

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

2.15 Fair value measurement

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

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

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

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

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

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

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

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

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2.15 Fair value measurement (cont'd.)

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

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

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

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

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

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

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

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

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

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

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

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

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

3.2 Key sources of estimation uncertainties

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

(i) Income taxes

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

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

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

(i) Income taxes (cont'd.)

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

(ii) Impairment of receivables

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

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

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

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 information about the ECLs on the Group's and the Company's receivables and the carrying amounts of the Group's and of the Company's receivables at the reporting date are disclosed in Note 20.

3. Significant accounting judgements and estimates (cont'd.)**3.2 Key sources of estimation uncertainties (cont'd.)****(iii) Impairment of goodwill and other intangibles**

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

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

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

	2025	2024
	RM'000	RM'000
Retailing - China	62,264	75,263

(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 RM1,150,451,000 (2024: RM1,034,035,000) of unused tax losses and RM26,411,000 (2024: RM26,009,000) of unabsorbed capital allowances. These losses and capital allowances relate to subsidiaries that have history of losses, not expired and may not be used to offset taxable income elsewhere in the Group.

3. Significant accounting judgements and estimates (cont'd.)**3.2 Key sources of estimation uncertainties (cont'd.)****(iv) Deferred tax assets (cont'd.)**

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

If the Group was able to recognise all unrecognised deferred tax assets, the profit or loss and the equity would have increased by RM293,600,000 (2024: RM265,569,000). Further details on deferred taxes are disclosed in Note 18.

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

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

The pre-tax discount rates applied to the cash flow projection for Malaysia and China are 8.5% (2024: 10.2%) and 12.0% (2024: 13.1%) respectively.

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

	Property, plant and equipment		Right-of-use assets	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Retailing - China	61,412	31,300	43,090	19,797
- Malaysia	783	-	2,895	-
	62,195	31,300	45,985	19,797

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

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

(vi) Leases - estimating the incremental borrowing rate

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

(vii) Impairment of interest in subsidiary

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

(viii) Provisions for restoration costs

The Group makes provisions for restoration costs based on the estimated costs to restore the leased areas in the event of relocation. As at 31 December 2025, the Group has the balance of provisions for restoration costs of RM24,753,000 (2024: RM25,646,000). A 10% difference in the estimated costs to restore the leased areas would result in approximately RM2,475,000 (2024: RM2,565,000) 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 date. Further details on inventories are disclosed in Note 24.

Parkson Holdings Berhad
(Incorporated in Malaysia)

4. Revenue

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Revenue from contracts with</u>				
<u>customers (i)</u>				
Sales of goods - direct sales	1,282,508	1,477,842	-	-
Commissions from concessionaire sales (ii)	707,655	804,570	-	-
Food and beverage ("F&B") operations	9,263	9,211	-	-
Consultancy and management service fees	2,855	4,986	-	-
	2,002,281	2,296,609	-	-
<u>Revenue from other sources</u>				
Rental income	401,546	407,275	-	-
Credit services	132,072	101,190	-	-
Dividend income from a subsidiary	-	-	-	11,400
	533,618	508,465	-	11,400
	2,535,899	2,805,074	-	11,400

Parkson Holdings Berhad
(Incorporated in Malaysia)

4. Revenue (cont'd.)

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

	Sales of goods - direct sales RM'000	Commissions from concessionaire sales RM'000	F&B operations RM'000	Consultancy and management service fees RM'000	Total revenue from contracts with customers RM'000
2025					
Geographical market:					
Within Malaysia	306,377	381,603	9,263	-	697,243
Outside Malaysia	976,131	326,052	-	2,855	1,305,038
	1,282,508	707,655	9,263	2,855	2,002,281

Timing of revenue recognition:					
At a point in time	1,282,508	707,655	9,263	-	1,999,426
Over time	-	-	-	2,855	2,855
	1,282,508	707,655	9,263	2,855	2,002,281

2024

Geographical market:					
Within Malaysia	338,592	400,118	9,211	-	747,921
Outside Malaysia	1,139,250	404,452	-	4,986	1,548,688
	1,477,842	804,570	9,211	4,986	2,296,609

Timing of revenue recognition:					
At a point in time	1,477,842	804,570	9,211	-	2,291,623
Over time	-	-	-	4,986	4,986
	1,477,842	804,570	9,211	4,986	2,296,609

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

	Group	
	2025 RM'000	2024 RM'000
Gross revenue from concessionaire sales	3,701,147	4,477,540
Commissions from concessionaire sales	707,655	804,570

Parkson Holdings Berhad
(Incorporated in Malaysia)

5. Other income

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Management fees	81,848	84,483	-	-
Promotion income	27,338	31,712	-	-
Administration fees	98,293	101,932	-	-
Credit card handling fees	10,864	13,903	-	-
Equipment and display space lease income	34,012	36,429	-	-
Service fees	10,767	13,527	-	-
Government grants (i)	2,582	3,534	-	-
Income from subleasing right-of-use assets	11,277	1,406	-	-
Gain from lease modification and lease termination	85,828	23,854	-	-
Others	41,588	33,136	-	-
	404,397	343,916	-	-

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

6. Employee benefits expense

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonuses	309,933	334,231	192	195
Defined contribution plans	35,729	39,135	-	-
Other staff related expenses	72,954	64,448	9	9
	418,616	437,814	201	204

Included in employee benefits expense of the Group and of the Company are executive Directors' remuneration amounting to RM3,270,000 (2024: RM3,379,000) and RM200,000 (2024: RM203,000) respectively as further disclosed in Note 8(b).

Parkson Holdings Berhad
(Incorporated in Malaysia)

7. Finance income/costs

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Finance income</u>				
Interest income on:				
Short term deposits and others	23,560	25,482	61	95
Lease receivables from subleases (Note 21(i))	5,767	10,502	-	-
Discount adjustments on rental deposits receivable	692	637	-	-
Gain on redemption of financial assets at fair value through profit or loss ("FVPL")	533	-	-	-
Change of fair value of financial assets at FVPL (Note 22)	371	901	-	-
	30,923	37,522	61	95
<u>Finance costs</u>				
Interest expenses on:				
Bank loans and Sukuk *	96,481	128,234	-	-
Bank overdrafts and others	300	222	-	-
Lease liabilities (Note 13(b))	203,222	211,122	-	-
Unwinding of discount on:				
Rental deposits payable	108	37	-	-
Provisions for restoration costs (Note 29)	829	733	-	-
	300,940	340,348	-	-

* Sukuk: Asset-backed Islamic medium term note as disclosed in Note 27(ii).

8. (Loss)/profit before tax

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' remuneration (Note 8(b))	3,502	3,606	432	430
Auditors' remuneration related to:				
Statutory audit:				
- Grant Thornton Malaysia PLT	960	925	32	32
- Member firm of Grant Thornton International	2,398	2,497	-	-
- Other auditors	629	649	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration related to:				
Assurance-related services:				
- Grant Thornton Malaysia PLT	16	12	8	8
Non-assurance-related services:				
- Grant Thornton Malaysia PLT	47	43	-	-
- Member firm of Grant Thornton International	129	259	-	-
Depreciation and amortisation of:				
- Property, plant and equipment	103,092	134,108	1	1
- Investment properties	12,629	13,417	-	-
- Right-of-use assets	312,017	334,517	-	-
Write off of property, plant and equipment	773	373	-	-
Allowance for impairment loss on receivables	65,797	32,341	-	-
Gain on liquidation of a subsidiary	(2,235)	-	-	-
Write down of inventories	930	327	-	-
Write back of inventory obsolescence	(160)	(1,798)	-	-
Reversal of impairment loss on:				
- Property, plant and equipment	(930)	(9,131)	-	-
- Right-of-use assets	(659)	(3,799)	-	-
- Receivables	(1,026)	(2,269)	-	-
Foreign currency exchange loss/(gain):				
- Realised	3,853	34,725	-	-
- Unrealised	(13,693)	(9,427)	-	-
Loss on disposal of property, plant and equipment	2,602	1,282	-	-
Operating lease rentals in respect of leased properties:				
- Minimum lease payments	63,749	70,144	-	-
- Rent concessions	(222)	(827)	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive Directors:				
Fees	344	361	72	75
Salaries and other emoluments	2,873	2,967	128	128
Pension costs - defined contribution plans	53	51	-	-
	3,270	3,379	200	203
Non-executive Directors:				
Fees	188	184	188	184
Other emoluments	44	43	44	43
	232	227	232	227
Total Directors' remuneration (Note 8(a))	3,502	3,606	432	430

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

	Number of Directors			
	Group		Company	
	2025	2024	2025	2024
Executive Directors:				
- RM50,000 and below	-	-	1	1
- RM150,001 to RM200,000	-	-	1	1
- RM550,001 to RM600,000	1	1	-	-
- RM2,650,001 to RM2,700,000	1	-	-	-
- RM2,800,001 to RM2,850,000	-	1	-	-
Non-executive Directors *:				
- RM50,000 and below	1	2	1	2
- RM50,001 to RM100,000	4	3	4	3

* 2025: Including a Director who had resigned with effect from 27 November 2025 and a Director who was appointed on 27 November 2025.

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

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

9. Income tax expense

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

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Malaysian income tax	35,942	45,282	-	308
Foreign tax	34,978	46,487	-	-
	70,920	91,769	-	308
Under provision in prior years	908	5,306	143	-
	71,828	97,075	143	308
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	(975)	(41,654)	-	-
Over provision in prior years	(3,765)	(446)	-	-
	(4,740)	(42,100)	-	-
Total income tax expense	67,088	54,975	143	308

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% (2024: 24%) of the estimated assessable profit or loss for the years.

Under the PRC income tax regulation, except for certain preferential treatments available to certain PRC subsidiaries of the Group, the PRC companies are subject to corporate income tax at a rate of 25% (2024: 25%) on their respective taxable income. As at 31 December 2025, 3 (2024: 3) PRC entities within the Group were granted preferential corporate income tax rate of 15% from the relevant PRC tax authorities.

Subsidiaries incorporated in Vietnam, Singapore, Cambodia, Laos and Myanmar are subject to tax rates of 20%, 17%, 20%, 20% and 22% (2024: 20%, 17%, 20%, 20% and 22%) respectively for the financial year ended 31 December 2025.

Parkson Holdings Berhad
(Incorporated in Malaysia)

9. Income tax expense (cont'd.)

Reconciliation between tax expense and accounting (loss)/profit

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(Loss)/profit before tax	(7,485)	(72,214)	(1,162)	8,542
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	(1,796)	(17,331)	(279)	2,050
Different tax rates in other jurisdiction	(22)	(740)	-	-
Expenses not deductible for tax purposes	50,947	53,212	380	1,494
Income not subject to tax	(6,444)	(11,459)	(101)	(3,236)
Deferred tax assets not recognised	31,548	56,260	-	-
Utilisation of previously unrecognised tax losses	(3,517)	(27,325)	-	-
Reversal of previously recognised tax losses	1,023	-	-	-
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	40	(296)	-	-
Under provision of income tax in prior years	908	5,306	143	-
Over provision of deferred tax in prior years	(3,765)	(446)	-	-
Effects on share of results of associates	(1,834)	(2,206)	-	-
Tax expense	67,088	54,975	143	308

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

10. Loss per share

(a) Basic

Basic loss per share is calculated by dividing the loss for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2025	2024
Loss for the financial year attributable to owners of the parent (RM'000)	<u>(41,466)</u>	<u>(102,028)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,148,902</u>	<u>1,148,902</u>
Basic loss per share (sen)	<u>(3.61)</u>	<u>(8.88)</u>

(b) Diluted

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

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 2025						
Cost						
At 1 January 2025	1,463,606	13,140	392,312	1,219,888	496,280	3,585,226
Additions	-	385	9,048	31,823	11,915	53,171
Disposals	-	(861)	(23,537)	(128,503)	-	(152,901)
Write off	-	-	(5,961)	(4,563)	-	(10,524)
Reclassification	-	-	1,103	9,674	(10,777)	-
Exchange differences	(77,824)	(543)	(11,876)	(47,543)	(28,075)	(165,861)
At 31 December 2025	1,385,782	12,121	361,089	1,080,776	469,343	3,309,111
Accumulated depreciation						
At 1 January 2025	401,766	11,256	337,002	1,022,908	-	1,772,932
Charge for the financial year	36,924	480	12,670	53,018	-	103,092
Disposals	-	(798)	(22,577)	(126,849)	-	(150,224)
Write off	-	-	(5,768)	(3,983)	-	(9,751)
Exchange differences	(22,347)	(484)	(9,883)	(43,309)	-	(76,023)
At 31 December 2025	416,343	10,454	311,444	901,785	-	1,640,026

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

Group	Buildings ⁽ⁱ⁾ RM'000	Office equipment and vehicles RM'000	Furniture, fittings and other equipment RM'000	Renovations ⁽ⁱⁱ⁾ RM'000	Capital work-in- progress ⁽ⁱⁱⁱ⁾ RM'000	Total RM'000
At 31 December 2025 (cont'd.)						
Accumulated impairment loss						
At 1 January 2025	-	109	10,414	46,625	58,726	115,874
Impairment loss for the financial year	-	16	1,186	5,413	55,580	62,195
Reversal of impairment loss for the financial year	-	-	(98)	(832)	-	(930)
Exchange differences	-	(7)	(556)	57	(6,188)	(6,694)
At 31 December 2025	-	118	10,946	51,263	108,118	170,445
Net carrying amount						
At 31 December 2025	969,439	1,549	38,699	127,728	361,225	1,498,640

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

Group	Buildings ⁽ⁱ⁾	Office equipment and vehicles	Furniture, fittings and other equipment	Renovations ⁽ⁱⁱ⁾	Capital work-in- progress ⁽ⁱⁱⁱ⁾	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2024						
Cost						
At 1 January 2024	1,541,668	13,882	424,225	1,291,089	520,903	3,791,767
Additions	-	775	12,979	44,056	10,258	68,068
Disposals	-	(771)	(13,602)	(48,011)	-	(62,384)
Write off	-	-	(15,179)	(25,405)	-	(40,584)
Reclassification	-	-	2,330	7,261	(9,591)	-
Exchange differences	(78,062)	(746)	(18,441)	(49,102)	(25,290)	(171,641)
At 31 December 2024	1,463,606	13,140	392,312	1,219,888	496,280	3,585,226
Accumulated depreciation						
At 1 January 2024	383,211	11,945	354,577	1,059,246	-	1,808,979
Charge for the financial year	39,227	462	17,274	77,145	-	134,108
Disposals	-	(599)	(12,855)	(47,566)	-	(61,020)
Write off	-	-	(13,182)	(16,706)	-	(29,888)
Exchange differences	(20,672)	(552)	(8,812)	(49,211)	-	(79,247)
At 31 December 2024	401,766	11,256	337,002	1,022,908	-	1,772,932

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

Group	Buildings ⁽ⁱ⁾ RM'000	Office equipment and vehicles RM'000	Furniture, fittings and other equipment RM'000	Renovations ⁽ⁱⁱ⁾ RM'000	Capital work-in- progress ⁽ⁱⁱⁱ⁾ RM'000	Total RM'000
At 31 December 2024 (cont'd.)						
Accumulated impairment loss						
At 1 January 2024	-	208	15,567	50,585	42,456	108,816
Impairment loss for the financial year	-	15	681	12,595	18,009	31,300
Reversal of impairment loss for the financial year	-	-	(1,213)	(7,918)	-	(9,131)
Write off	-	-	(1,770)	(8,553)	-	(10,323)
Exchange differences	-	(114)	(2,851)	(84)	(1,739)	(4,788)
At 31 December 2024	-	109	10,414	46,625	58,726	115,874
Net carrying amount						
At 31 December 2024	1,061,840	1,775	44,896	150,355	437,554	1,696,420

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

Company	Office equipment	
	2025 RM'000	2024 RM'000
Cost		
At beginning/end of the financial year	<u>10</u>	<u>10</u>
Accumulated depreciation		
At beginning of the financial year	8	7
Charge for the financial year	<u>1</u>	<u>1</u>
At end of the financial year	<u>9</u>	<u>8</u>
Net carrying amount		
At end of the financial year	<u>1</u>	<u>2</u>

- (i) As at 31 December 2025, net carrying amount of buildings of RM744,051,000 (2024: RM813,072,000) 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 2025 is a building under construction located in Tianjin City, the PRC of Rmb614,200,000 (equivalent to approximately RM356,543,000) (2024: Rmb706,800,000 or equivalent to approximately RM433,339,000).

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Aggregate costs of purchase of property, plant and equipment	53,171	68,068	-	-
Provisions for restoration costs (Note 29)	<u>(47)</u>	<u>(427)</u>	-	-
Cash payments during the financial years	<u>53,124</u>	<u>67,641</u>	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

- (v) During the financial year ended 31 December 2025, impairment charge of RM62,195,000 (2024: RM31,300,000) was recorded in the consolidated statement of profit or loss, considering that the relevant subsidiaries have been incurring losses and that it was not probable that profits will be available in the foreseeable future.

Impairment tests for property, plant and equipment

Management has carried out impairment test review for property, plant and equipment based on the recoverable amount of each cash-generating unit ("CGU"). The recoverable amount has been determined based on a value in use ("VIU") calculation using cash flow projections from financial budgets approved by directors covering a 5-year period. The pre-tax discount rates applied to the cash flow projections are as follows:

	2025	2024
	%	%
CGU		
Malaysia	8.5	10.2
PRC	12.0	13.1

Key assumptions used in VIU calculations

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

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

Sensitivity to changes in assumptions

With regard to the assessment of VIU of the respective CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including property, plant and equipment, of the unit to materially exceed its recoverable amount.

Parkson Holdings Berhad
(Incorporated in Malaysia)

12. Investment properties

Group	2025			2024		
	Completed investment properties ⁽ⁱ⁾ RM'000	IPUC ⁽ⁱⁱ⁾ RM'000	Total RM'000	Completed investment properties ⁽ⁱ⁾ RM'000	IPUC ⁽ⁱⁱ⁾ RM'000	Total RM'000
Cost						
At beginning of the financial year	418,770	194,041	612,811	441,105	135,109	576,214
Reclassification from non-current assets classified as held for sale	-	-	-	-	58,932	58,932
Exchange differences	(22,268)	-	(22,268)	(22,335)	-	(22,335)
At end of the financial year	396,502	194,041	590,543	418,770	194,041	612,811
Accumulated depreciation						
At beginning of the financial year	95,487	-	95,487	86,904	-	86,904
Charge for the financial year	12,629	-	12,629	13,417	-	13,417
Exchange differences	(5,414)	-	(5,414)	(4,834)	-	(4,834)
At end of the financial year	102,702	-	102,702	95,487	-	95,487

Parkson Holdings Berhad
(Incorporated in Malaysia)

12. Investment properties (cont'd.)

Group (cont'd.)	2025			2024		
	Completed investment properties ⁽ⁱ⁾ RM'000	IPUC ⁽ⁱⁱ⁾ RM'000	Total RM'000	Completed investment properties ⁽ⁱ⁾ RM'000	IPUC ⁽ⁱⁱ⁾ RM'000	Total RM'000
Accumulated impairment loss						
At beginning of the financial year	-	40,796	40,796	-	23,202	23,202
Impairment loss for the financial year	-	19,750	19,750	-	7,018	7,018
Reclassification from non-current assets classified as held for sale	-	-	-	-	10,576	10,576
At end of the financial year	-	60,546	60,546	-	40,796	40,796
Net carrying amount						
At end of the financial year	293,800	133,495	427,295	323,283	153,245	476,528
Fair value						
At end of the financial year (Note 35(a))	1,857,600	133,500	1,991,100	1,961,920	153,396	2,115,316

	Group	
	2025 RM'000	2024 RM'000
Rental income derived from investment properties	123,721	131,441
Direct operating expenses (including repair and maintenance) generating rental income	(12,629)	(13,417)
Profit arose from investment properties	111,092	118,024

12. Investment properties (cont'd.)

- (i) The Group's completed investment properties consist of commercial buildings. The fair values of buildings as at 31 December 2025 and 31 December 2024 were determined on an open market, existing use basis by the Group. The fair values of the completed investment properties are categorised as Level 3 under the fair value hierarchy.

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

- (ii) IPUC comprises land held by the Group. The land is located in Melaka, Malaysia and has a leasehold term of 99 years. It is strategically located in a prime area designated for mixed development purposes.

In the previous financial year ended 31 December 2023, the Group had entered into a sale and purchase agreement with an independent third party for the disposal of part of its land ("Land"). On 1 February 2025, the purchaser had exercised its right to rescind the sale and purchase agreement as certain conditions precedent were not fulfilled by the Group within the stipulated time frame. The net carrying amounts of the Land of RM48,356,000 was reclassified from non-current assets classified as held for sale to investment properties as at 31 December 2024.

The fair values of the IPUC as at 31 December 2025 and 31 December 2024 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 2025, net carrying amounts of investment properties of RM425,305,000 (2024: RM474,332,000) are pledged for loan facilities extended to the Group as disclosed in Note 27.

Parkson Holdings Berhad
(Incorporated in Malaysia)

13. Leases

The Group as a lessee

The Group has lease contracts for various items of leasehold land, retail and office premises, motor vehicles, furniture, fittings and other equipment used in its operations. These leases generally have the following lease terms:

Leasehold land	42 - 45 years
Retail and office premises	2 - 20 years
Motor vehicles	5 - 7 years
Furniture, fittings and other equipment	2 - 6 years

There are several lease contracts that include variable lease payments and extension options which are further discussed below.

Certain lease contracts have lease terms of 12 months or less and/or is individually of low value. The Group applies the recognition exemptions for short term leases and leases of low-value assets.

(a) Right-of-use assets

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

	Leasehold land RM'000	Retail and office premises RM'000	Furniture, fittings and other equipment RM'000	Total RM'000
At 1 January 2025	192,897	1,915,369	1,029	2,109,295
Additions	-	175,612	-	175,612
Increase/(decrease) arising from:				
- Lease term modification	-	320,492	-	320,492
- Lease termination	-	(108,471)	-	(108,471)
Decrease arising from sublease	-	(4,488)	-	(4,488)
Depreciation	(7,940)	(303,056)	(1,021)	(312,017)
Impairment loss	-	(45,985)	-	(45,985)
Reversal of impairment loss	-	659	-	659
Exchange differences	(10,045)	(80,919)	(8)	(90,972)
At 31 December 2025	174,912	1,869,213	-	2,044,125

Parkson Holdings Berhad
(Incorporated in Malaysia)

13. Leases (cont'd.)

The Group as a lessee (cont'd.)

(a) Right-of-use assets (cont'd.)

The carrying amounts of the Group's right-of-use assets and the movements during the financial year are as follows: (cont'd.)

	Leasehold land RM'000	Retail and office premises RM'000	Motor vehicles RM'000	Furniture, fittings and other equipment RM'000	Total RM'000
At 1 January 2024	211,783	1,614,797	90	2,440	1,829,110
Additions	-	52,218	-	-	52,218
Increase/(decrease) arising from:					
- Lease term modification	-	671,028	-	-	671,028
- Lease termination	-	(21,371)	-	-	(21,371)
Decrease arising from sublease	-	(9,101)	-	-	(9,101)
Depreciation	(8,435)	(324,672)	(89)	(1,321)	(334,517)
Impairment loss	-	(19,797)	-	-	(19,797)
Reversal of impairment loss	-	3,799	-	-	3,799
Exchange differences	(10,451)	(51,532)	(1)	(90)	(62,074)
At 31 December 2024	192,897	1,915,369	-	1,029	2,109,295

Lump sum payments were made upfront to acquire the leased land with lease periods ranging from 42 to 45 years (2024: 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 2025, net carrying amount of leasehold land of RM169,969,000 (2024: RM187,392,000) is pledged with financial institutions for banking facilities extended to the Group as disclosed in Note 27.

13. Leases (cont'd.)

The Group as a lessee (cont'd.)

(a) Right-of-use assets (cont'd.)

During the financial year ended 31 December 2025, impairment charge of RM45,985,000 (2024: RM19,797,000) was recorded in the consolidated statement of profit or loss, considering that the relevant subsidiaries have been incurring losses and that it was not probable that profits will be available in the foreseeable future.

Impairment tests for right-of-use assets

Management has carried out impairment test review for right-of-use assets based on the recoverable amount of each CGU. The recoverable amount has been determined based on a VIU calculation using cash flow projections from financial budgets approved by directors covering a 5-year period. The pre-tax discount rates applied to the cash flow projections are as follows:

	2025	2024
	%	%
CGU		
Malaysia	8.5	10.2
PRC	12.0	13.1

Key assumptions used in VIU calculations

The calculation of VIU for the CGUs are most sensitive to the assumptions made for revenue, gross margins, operating expenses, growth rates and discount rates as disclosed in Note 11(v).

Sensitivity to changes in assumptions

With regard to the assessment of VIU of the respective CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including right-of-use assets, of the unit to materially exceed its recoverable amount.

13. Leases (cont'd.)

The Group as a lessee (cont'd.)

(b) Lease liabilities

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

	Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year	2,647,811	2,472,555
Additions arising from new leases	175,612	52,218
Increase/(decrease) arising from:		
- Lease term modification	275,518	658,019
- Lease termination	(149,325)	(32,216)
Rent concessions	(222)	(827)
Interest expense (Note 7)	203,222	211,122
Payments	(500,414)	(603,912)
Exchange differences	(129,775)	(109,148)
At end of the financial year	<u>2,522,427</u>	<u>2,647,811</u>
Disclosed as:		
Current	350,146	429,728
Non-current	<u>2,172,281</u>	<u>2,218,083</u>
	<u>2,522,427</u>	<u>2,647,811</u>

(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 2025, variable lease payments that are recognised in the consolidated statement of profit or loss amounted to RM63,749,000 (2024: RM70,144,000).

13. Leases (cont'd.)

The Group as a lessee (cont'd.)

(d) Total cash outflows

During the financial year ended 31 December 2025, the Group had total cash outflows for leases of RM564,163,000 (2024: RM674,056,000).

(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	
	2025	2024
	RM'000	RM'000
Extension options expected not to be exercised		
Within five years	146,471	110,436
More than five years	226,809	224,997
	<u>373,280</u>	<u>335,433</u>

Parkson Holdings Berhad
(Incorporated in Malaysia)

14. Intangible assets

Group	Goodwill RM'000	Computer software RM'000	Club memberships RM'000	Brands RM'000	Total RM'000
Cost					
At 1 January 2024	1,540,295	12,564	385	50,656	1,603,900
Exchange differences	(68,221)	(636)	2	(2,310)	(71,165)
At 31 December 2024 and 1 January 2025	1,472,074	11,928	387	48,346	1,532,735
Exchange differences	(68,011)	(634)	(1)	(3,816)	(72,462)
At 31 December 2025	1,404,063	11,294	386	44,530	1,460,273
Accumulated amortisation					
At 1 January 2024	-	12,564	107	13,028	25,699
Exchange differences	-	(636)	-	(578)	(1,214)
At 31 December 2024 and 1 January 2025	-	11,928	107	12,450	24,485
Exchange differences	-	(634)	-	(1,214)	(1,848)
At 31 December 2025	-	11,294	107	11,236	22,637
Accumulated impairment loss					
At 1 January 2024	421,136	-	62	37,628	458,826
Impairment loss	75,263	-	-	-	75,263
Exchange differences	(17,235)	-	-	(1,732)	(18,967)
At 31 December 2024 and 1 January 2025	479,164	-	62	35,896	515,122
Impairment loss	62,264	-	-	-	62,264
Exchange differences	(20,062)	-	-	(2,602)	(22,664)
At 31 December 2025	521,366	-	62	33,294	554,722
Net carrying amount					
At 31 December 2025	882,697	-	217	-	882,914
At 31 December 2024	992,910	-	218	-	993,128

Parkson Holdings Berhad
(Incorporated in Malaysia)

14. Intangible assets (cont'd.)

Company	Club memberships	
	2025 RM'000	2024 RM'000
Cost		
At beginning/end of the financial year	<u>135</u>	<u>135</u>
Accumulated amortisation and impairment loss		
At beginning/end of the financial year	<u>107</u>	<u>107</u>
Net carrying amount		
At end of the financial year	<u>28</u>	<u>28</u>

Goodwill

During the financial year ended 31 December 2025, impairment charge of RM62,264,000 (2024: RM75,263,000) was recorded in the consolidated statement of profit or loss, considering that the relevant subsidiaries have been incurring losses and that it was not probable that profits will be available in the foreseeable future.

Impairment tests for goodwill

For the purpose of impairment testing, goodwill has been allocated according to country of operation and business segment as follows:

	Malaysia RM'000	PRC RM'000	Total RM'000
Retailing			
At 31 December 2025	19,722	862,975	882,697
At 31 December 2024	<u>19,722</u>	<u>973,188</u>	<u>992,910</u>

Management has carried out impairment test review for goodwill based on the recoverable amount of each CGU. The recoverable amount has been determined based on a VIU calculation using cash flow projections from financial budgets approved by directors covering a 5-year period. The pre-tax discount rates applied to the cash flow projections are as follows:

	2025 %	2024 %
CGU		
Malaysia	8.5	10.2
PRC	12.0	13.1

14. Intangible assets (cont'd.)

Goodwill (cont'd.)

Key assumptions used in VIU calculations

The calculation of VIU for the CGUs are most sensitive to the assumptions made for revenue, gross margins, operating expenses, growth rates and discount rates as disclosed in Note 11(v).

Apart from using VIU calculation to determine the recoverable amount of CGU, the recoverable amount of one of the subsidiary, Lung Shing International Investments & Development Limited, is estimated based on fair value less costs of disposal. The fair value less costs of disposal is determined based on the carrying amount of tangible net assets, adjusted upwards to account for the fair value of its property. The fair value of the property is estimated using the market approach and the fair value measurement is categorised as Level 3 under the fair value hierarchy based on inputs in the valuation techniques used.

The fair value of the property is based on valuation performed by an accredited independent valuer with recent experience in the location and category of property being valued.

The key assumption made by the property valuer in determining the valuation is based on the income method considering the net rental income of the property during the existing lease term and the potential rental income that can be obtained at the current market rental level, and calculates the market value of the property based on appropriate capitalisation rate.

Sensitivity to changes in assumptions

With regard to the assessment of recoverable amount 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.

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries

	Company	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	7,157,920	7,157,920
Amount due from a subsidiary ⁽ⁱ⁾	95,361	96,577
Share option granted to employees of subsidiaries	21,183	21,183
	<u>7,274,464</u>	<u>7,275,680</u>
Less: Accumulated impairment loss	<u>(4,568,830)</u>	<u>(4,568,830)</u>
	<u>2,705,634</u>	<u>2,706,850</u>
Accumulated impairment loss:		
At beginning/end of the financial year	<u>4,568,830</u>	<u>4,568,830</u>

- (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 *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Held by the Company (Parkson Holdings Berhad)</u>						
East Crest International Limited **	British Virgin Islands	Investment holding	100	100	-	-
Parkson Vietnam Investment Holdings Co Ltd **	British Virgin Islands	Investment holding	100	100	-	-
Parkson Properties Holdings Co Ltd **	British Virgin Islands	Investment holding	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Held by the Company (Parkson Holdings Berhad) (cont'd.)</u>						
Prime Yield Holdings Limited **	British Virgin Islands	Investment holding	100	100	-	-
Puncak Pelita Sdn Bhd ^f	Malaysia	Investment holding	100	100	-	-
Corporate Code Sdn Bhd	Malaysia	Investment holding	100	100	-	-
<u>Subsidiaries of East Crest International Limited</u>						
PRG Corporation Limited ^f	British Virgin Islands	Investment holding	100	100	-	-
Serbadagang Holdings Sdn Bhd ^f	Malaysia	Ceased operation	100	100	-	-
Smart Spectrum Limited **	British Virgin Islands	Ceased operation	100	100	-	-
Parkson Retail Asia Limited ("PRA") ^{f β}	Singapore	Investment holding	68	68	32	32
Parkson Services Pte Ltd ^f	Singapore	Intellectual property holding	100	100	-	-
<u>Subsidiary of Parkson Vietnam Investment Holdings Co Ltd</u>						
Parkson TSN Holdings Co Ltd **	British Virgin Islands	Investment holding	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiary of Parkson Properties Holdings Co Ltd</u>						
Parkson Properties Hanoi Co Ltd **	British Virgin Islands	Dormant	100	100	-	-
<u>Subsidiaries of Prime Yield Holdings Limited</u>						
Dyna Puncak Sdn Bhd	Malaysia	Investment holding	100	100	-	-
Gema Binari Sdn Bhd	Malaysia	Investment holding	100	100	-	-
Prestasi Serimas Sdn Bhd	Malaysia	Ceased operation	100	100	-	-
<u>Subsidiary of PRG Corporation Limited</u>						
Parkson Retail Group Limited ("PRGL") + @	Cayman Islands	Investment holding	54.6 */ 0.4	54.6 */ 0.4	45.0	45.0
<u>Subsidiary of PRGL</u>						
Grand Parkson Retail Group Limited +	British Virgin Islands	Investment holding	100	100	-	-
<u>Subsidiaries of Grand Parkson Retail Group Limited</u>						
Leonemas International Limited **	British Virgin Islands	Investment holding	100	100	-	-
Malverest Trading International Limited **	British Virgin Islands	Investment holding	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Grand Parkson Retail Group Limited (cont'd.)</u>						
Oroleon International Limited **	British Virgin Islands	Investment holding	100	100	-	-
Releomont (Hong Kong) Limited +	Hong Kong SAR	Investment holding	100	100	-	-
Exonbury Limited +	Hong Kong SAR	Investment holding	100	100	-	-
Parkson Investment Pte Ltd ^f	Singapore	Investment holding	100	100	-	-
Parkson Supplies Pte Ltd ^f	Singapore	Investment holding	100	100	-	-
Creation International Investment & Development Limited **	British Virgin Islands	Investment holding	100	100	-	-
Step Summit Limited +	Hong Kong SAR	Investment holding	100	100	-	-
Global Heights Investment Limited **	British Virgin Islands	Investment holding	100	100	-	-
Golden Village Group Limited **	British Virgin Islands	Investment holding	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Grand Parkson Retail Group Limited (cont'd.)</u>						
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
Yeekaw Best Practices Sdn Bhd ^f	Malaysia	Dormant	100	100	-	-
Huge Return Investment Limited +	Hong Kong SAR	Investment holding	100	100	-	-
Hanmen Holdings Limited +	Hong Kong SAR	Investment holding	100	100	-	-
Victory Hope Limited +	Hong Kong SAR	Investment holding	100	100	-	-
Great Dignity Development Limited +	Hong Kong SAR	Investment holding	100	100	-	-
Parkson Venture Pte Ltd ^f	Singapore	Investment holding	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Grand Parkson Retail Group Limited (cont'd.)</u>						
Wide Field International Limited +	Hong Kong SAR	Investment holding	100	100	-	-
Sea Coral Limited +	Hong Kong SAR	Investment holding	100	100	-	-
<u>Subsidiary of Leonemas International Limited</u>						
Leonemas (Hong Kong) Limited +	Hong Kong SAR	Investment holding	100	100	-	-
<u>Subsidiary of Leonemas (Hong Kong) Limited</u>						
Qingdao Lion Plaza Retail Management Co Ltd +	People's Republic of China	Property management	100	100	-	-
<u>Subsidiary of Malverest Trading International Limited</u>						
Malverest (Hong Kong) Limited +	Hong Kong SAR	Investment holding	100	100	-	-
<u>Subsidiary of Malverest (Hong Kong) Limited</u>						
Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Parkson Retail Development Co Ltd</u>						
Zhangjiakou Parkson Shopping Mall Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
Qingdao Parkson Shopping Plaza Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	100	100	-	-
Qingdao Parkson Beer City Property Management Co Ltd +	People's Republic of China	Property management	100	100	-	-
<u>Subsidiary of Oroleon International Limited</u>						
Oroleon (Hong Kong) Limited +	Hong Kong SAR	Investment holding	100	100	-	-
<u>Subsidiaries of Oroleon (Hong Kong) Limited</u>						
Parkson Credit Sdn Bhd ^	Malaysia	Provision of money lending and credit services	100	100	-	-
Parkson Retail Laos Holdings Sdn Bhd	Malaysia	Investment holding	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiary of Parkson Retail Laos Holdings Sdn Bhd</u>						
Parkson Lao Sole Co Ltd **	Lao People's Democratic Republic	Wholesale and retail trade	100	100	-	-
<u>Subsidiary of Releomont (Hong Kong) Limited</u>						
Anshan Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
<u>Subsidiaries of Exonbury Limited</u>						
Hong Kong Fen Chai Investment Limited +	Hong Kong SAR	Provision of consultancy services	100	100	-	-
Shanghai Lion Parkson Retail Development Co Ltd (formerly known as Shanghai Nine Sea Parkson Plaza Co Ltd) +	People's Republic of China	Operation of department stores	100	100	-	-
Shanghai Lion Parkson Investment Consultant Co Ltd +	People's Republic of China	Provision of consultancy and management services	100	100	-	-
Parkson Investment Holdings Co Ltd +	People's Republic of China	Investment holding	70 *2 30	70 *2 30	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Exonbury Limited (cont'd.)</u>						
Jinan Lion Consultant Management Co Ltd +	People's Republic of China	Provision of consultancy and management services	100	100	-	-
Jiaxing Lion Retail Management Co Ltd +	People's Republic of China	Provision of consultancy and management services	100	100	-	-
<u>Subsidiary of Hong Kong Fen Chai Investment Limited</u>						
Xi'an Lucky King Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	91 *3 9	91 *3 9	-	-
<u>Subsidiary of Xi'an Lucky King Parkson Plaza Co Ltd</u>						
Shanxi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	100	100	-	-
<u>Subsidiary of Shanghai Lion Parkson Investment Consultant Co Ltd</u>						
Shanghai Lion Parkson Management Consultant Co Ltd +	People's Republic of China	Provision of consultancy and management services	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Parkson Investment Holdings Co Ltd</u>						
Shanghai Xinzhuan Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
Lanzhou Parkson Retail Co Ltd +	People's Republic of China	Ceased operation	49.5 *4 30.3 *5 20.2	49.5 *4 30.3 *5 20.2	-	-
Zigong Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
Shanghai Parkson Food & Beverage Management Co Ltd + (Dissolved on 8.1.2025)	People's Republic of China	Food and beverage management services	-	100	-	-
Shanghai Jingshi Retail Management Co Ltd +	People's Republic of China	Property management	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Parkson Investment Holdings Co Ltd (cont'd.)</u>						
Shaoxing Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	80.6 *6 19.4	80.6 *6 19.4	-	-
Shanghai Shijie Fashions Co Ltd +	People's Republic of China	Sale of apparel	60.7 *7 35.7 *8 3.6	60.7 *7 35.7 *8 3.6	-	-
<u>Subsidiary of Shanghai Xinzhuang Parkson Retail Development Co Ltd</u>						
Hunan Changsha Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
<u>Subsidiary of Parkson Investment Pte Ltd</u>						
Rosenblum Investments Pte Ltd ^f (Struck off on 6.2.2026)	Singapore	Investment holding	100	100	-	-
<u>Subsidiaries of Parkson Supplies Pte Ltd</u>						
Chongqing Wanyou Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
Mianyang Fulin Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	60 *6 40	60 *6 40	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Parkson Supplies Pte Ltd (cont'd.)</u>						
Sichuan Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores and outlets	100	100	-	-
<u>Subsidiary of Mianyang Fulin Parkson Plaza Co Ltd</u>						
Mianyang Shangma Parkson Plaza Commercial Management Co Ltd + #	People's Republic of China	Operation of department stores	100	-	-	-
<u>Subsidiary of Creation International Investment & Development Limited</u>						
Creation (Hong Kong) Investment & Development Limited +	Hong Kong SAR	Provision of consultancy services	100	100	-	-
<u>Subsidiaries of Step Summit Limited</u>						
Guizhou Shenqi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	60	60	40	40
Shanghai Hongqiao Parkson Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
Hefei Parkson Xiaoyao Plaza Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Shanghai Hongqiao Parkson Development Co Ltd</u>						
Changshu Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
Shanghai Delight Food & Beverage Management Co Ltd +	People's Republic of China	Food and beverage operation	100	100	-	-
Wenzhou Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
<u>Subsidiaries of Hefei Parkson Xiaoyao Plaza Co Ltd</u>						
Anshan Tianxing Parkson Shopping Centre Co Ltd +	People's Republic of China	Operation of department stores	51 *0 49	51 *0 49	-	-
Qingdao Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiary of Global Heights Investment Limited</u>						
Asia Victory International Limited **	British Virgin Islands	Domestic and cross-border trading	100	100	-	-
<u>Subsidiary of Asia Victory International Limited</u>						
Shunhe International Investment Limited +	Hong Kong SAR	Provision of consultancy services	100	100	-	-
<u>Subsidiary of Shunhe International Investment Limited</u>						
Kunming Yun Shun He Retail Development Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
<u>Subsidiaries of Kunming Yun Shun He Retail Development Co Ltd</u>						
Guizhou Zunyi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	90 <i>*10</i> 10	90 <i>*10</i> 10	-	-
Liupanshui Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Kunming Yun Shun He Retail Development Co Ltd (cont'd.)</u>						
Suzhou Parkson Changfa Commercial Management Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
Panzhuhua 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 <i>*11</i> 20 <i>*12</i> 20	60 <i>*11</i> 20 <i>*12</i> 20	-	-
Parkson Business Commerce Sole Co Ltd **	Lao People's Democratic Republic	Operation of department stores	100	100	-	-
<u>Subsidiaries of Golden Village Group Limited</u>						
Duo Success Investments Limited **	British Virgin Islands	Investment holding	100	100	-	-
Jiangxi Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
Jiangxi Parkson Shopping Centre Management Co Ltd +	People's Republic of China	Property management	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Jiangxi Parkson Shopping Centre Management Co Ltd</u>						
Yichun Parkson Shopping Centre Co Ltd +	People's Republic of China	Operation of shopping malls	100	100	-	-
Nanchang Parkson Shopping Centre Co Ltd +	People's Republic of China	Operation of shopping mall	100	100	-	-
<u>Subsidiary of Lung Shing International Investments & Development Limited</u>						
Anshan Lung Shing Property Services Co Ltd +	People's Republic of China	Property management	100	100	-	-
<u>Subsidiary of Capital Park Development Limited</u>						
Capital Park (HK) Investment & Development Limited +	Hong Kong SAR	Investment holding	100	100	-	-
<u>Subsidiary of Capital Park (HK) Investment & Development Limited</u>						
Wuxi Sanyang Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	60	60	40	40

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiary of Lion Food & Beverage Ventures Limited</u>						
Parkson Food & Beverage Ventures Limited +	Hong Kong SAR	Investment holding	100	100	-	-
<u>Subsidiary of Victory Hope Limited</u>						
Nanning Brilliant Parkson Commercial Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	70 <i>*13</i> 30	70 <i>*13</i> 30	-	-
<u>Subsidiary of Nanning Brilliant Parkson Commercial Co Ltd</u>						
Wuzhou Fashion Parkson Business Management Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
<u>Subsidiaries of Great Dignity Development Limited</u>						
Shantou Parkson Commercial Co Ltd + (Dissolved on 29.4.2025)	People's Republic of China	Operation of department stores	-	100	-	-
Qingdao Parkson Lion Commercial Management Co Ltd +	People's Republic of China	Property management	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiary of Parkson Venture Pte Ltd</u>						
Qingdao No. 1 Parkson Co Ltd +	People's Republic of China	Operation of department stores	95.9	95.9	4.1	4.1
<u>Subsidiary of Wide Field International Limited</u>						
Shenyang Parkson Shopping Plaza Co Ltd +	People's Republic of China	Operation of department stores	100	100	-	-
<u>Subsidiaries of PRA</u>						
Parkson Corporation Sdn Bhd	Malaysia	Operation of department stores and related trading activities including e-commerce activities	100	100	-	-
Centro Retail Pte Ltd ^f	Singapore	Investment holding	100	100	-	-
PT Tozy Sentosa (In Bankruptcy)	Indonesia	Ceased operation	90 ^{*14} 10	90 ^{*14} 10	-	-
Parkson Myanmar Co Pte Ltd ^f	Singapore	Investment holding	100	100	-	-
Parkson Yangon Company Limited **	Myanmar	Dormant	95 ^{*15} 5	95 ^{*15} 5	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Parkson Corporation Sdn Bhd</u>						
Parkson Vietnam Co Ltd ^{&}	Vietnam	Ceased operation	100	100	-	-
Parkson Haiphong Co Ltd ^{**}	Vietnam	Dormant	100	100	-	-
Parkson Cambodia Holdings Co Ltd ^{**}	British Virgin Islands	Investment holding	100	100	-	-
Parkson SGN Co Ltd ^f	Vietnam	Dormant	100	100	-	-
Parkson Edutainment World Sdn Bhd	Malaysia	Dormant	100	100	-	-
Parkson Lifestyle Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	100	100	-	-
Parkson Unlimited Beauty Sdn Bhd (Dissolved on 12.2.2026)	Malaysia	Dormant	100	100	-	-
Parkson Private Label Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Parkson Corporation Sdn Bhd (cont'd.)</u>						
Parkson Trading (Vietnam) Company Limited ^f	Vietnam	Dormant	100	100	-	-
Solid Gatelink Sdn Bhd	Malaysia	Operation of food and beverage businesses	100	100	-	-
Parkson Trends Sdn Bhd (Dissolved on 16.7.2025)	Malaysia	Dormant	-	100	-	-
<u>Subsidiary of Parkson Vietnam Co Ltd</u>						
Parkson Vietnam Management Services Co Ltd ^{&}	Vietnam	Dormant	100	100	-	-
<u>Subsidiary of Parkson Cambodia Holdings Co Ltd</u>						
Parkson (Cambodia) Co Ltd ^{**}	Cambodia	Dormant	100	100	-	-
<u>Subsidiary of Parkson Myanmar Co Pte Ltd</u>						
Parkson Myanmar Investment Company Pte Ltd ^f	Singapore	Investment holding	70	70	30	30

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiary of Parkson Myanmar Investment Company Pte Ltd</u>						
Myanmar Parkson Company Limited ** (Liquidated on 27.6.2025)	Myanmar	Dormant	-	100	-	-
<u>Subsidiary of Parkson TSN Holdings Co Ltd</u>						
Parkson HBT Properties Co Ltd **	Vietnam	Real estate consulting and management services	100	100	-	-
<u>Subsidiaries of Dyna Puncak Sdn Bhd</u>						
Idaman Erajuta Sdn Bhd	Malaysia	Investment holding	100	100	-	-
Magna Rimbun Sdn Bhd	Malaysia	Investment holding	100	100	-	-
True Excel Investments Limited **	British Virgin Islands	Investment holding	100	100	-	-
<u>Subsidiary of Idaman Erajuta Sdn Bhd</u>						
Festival City Sdn Bhd	Malaysia	Operation of department stores and property management	100	100	-	-
<u>Subsidiary of Magna Rimbun Sdn Bhd</u>						
Megan Mastika Sdn Bhd	Malaysia	Property management and investment holding	100	100	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiary of Megan Mastika Sdn Bhd</u>						
Dimensi Andaman Sdn Bhd ^f	Malaysia	Investment holding, property development and project management	100	100	-	-
<u>Subsidiary of True Excel Investments Limited</u>						
True Excel Investments (Cambodia) Co Ltd **	Cambodia	Investment holding	100	100	-	-
<u>Subsidiary of Gema Binari Sdn Bhd</u>						
Parkson Branding Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	100	100	-	-
<u>Subsidiary of Prestasi Serimas Sdn Bhd</u>						
Ombrello Resources Sdn Bhd ^f (Dissolved on 10.2.2025)	Malaysia	Ceased operation	-	100	-	-

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

* Equals to the proportion of voting rights held.

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

*1 Held by East Crest International Limited.

*2 Held by Parkson Investment Pte Ltd.

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

- *3 Held by Huge Return Investment Limited.
- *4 Held by Hunan Changsha Shishang Parkson Retail Development Co Ltd.
- *5 Held by Mianyang Fulin Parkson Plaza Co Ltd.
- *6 Held by Shanghai Hongqiao Parkson Development Co Ltd.
- *7 Held by Parkson Retail Development Co Ltd.
- *8 Held by Shanghai Lion Parkson Investment Consultant Co Ltd.
- *9 Held by Creation (Hong Kong) Investment & Development Limited.
- *10 Held by Parkson Investment Holdings Co Ltd.
- *11 Held by Xi'an Lucky King Parkson Plaza Co Ltd.
- *12 Held by Nanning Brilliant Parkson Commercial Co Ltd.
- *13 Held by Hanmen Holdings Limited.
- *14 Held by Centro Retail Pte Ltd.
- *15 Held by Parkson Myanmar Co Pte Ltd.

^β Listed on the Singapore Exchange Securities Trading Limited.

@ Listed on The Stock Exchange of Hong Kong Limited.

Subsidiary which was newly incorporated during the financial year.

^ In the previous financial year ended 31 December 2024, a special purpose vehicle known as Pinnacle Yields Sdn Bhd ("Pinnacle Yields") was set up for the sole purpose of undertaking an asset-backed Islamic medium term note programme of up to RM1 billion in nominal value based on the Shariah principle of Wakalah Bi-Al Istithmar ("Sukuk") which involves the purchases of eligible hire purchase receivables from Parkson Credit Sdn Bhd ("Parkson Credit") from time to time. The purchases of hire purchase receivables meeting certain pre-determined eligibility criteria are funded by the proceeds from the issuance of Sukuk by Pinnacle Yields. Details of the Sukuk are disclosed in Note 27(ii).

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

& The Group had ceased to consolidate Parkson Vietnam Co Ltd and its wholly-owned subsidiary, Parkson Vietnam Management Services Co Ltd since 8 August 2023.

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

Impairment tests for interests in subsidiaries

Management has carried out impairment test review for interests in subsidiaries based on the recoverable amount of each CGU. The recoverable amount has been determined based on a VIU calculation using cash flow projections from financial budgets approved by directors covering a 5-year period. The pre-tax discount rates applied to the cash flow projections are as follows:

	2025	2024
	%	%
CGU		
Malaysia	8.5	10.2
PRC	12.0	13.1

Key assumptions used in VIU calculations

The calculation of VIU for the CGUs are most sensitive to the assumptions made for revenue, gross margins, operating expenses, growth rates and discount rates as disclosed in Note 11(v).

Sensitivity to changes in assumptions

With regard to the assessment of VIU of the respective CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including interests in subsidiaries, of the unit to materially exceed its recoverable amount.

(a) 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	2025	2024
		%	%
PRA	Singapore	32.0	32.0
PRGL	Cayman Islands	45.0	45.0

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

(a) Material non-controlling interests (cont'd.)

	Group	
	2025	2024
	RM'000	RM'000
Accumulated net assets balances of non-controlling interests:		
PRA	34,147	40,459
PRGL	751,083	854,416
Total	<u>785,230</u>	<u>894,875</u>
Profit/(loss) allocated to non-controlling interests:		
PRA	22,420	26,303
PRGL	(55,527)	(51,464)
Total	<u>(33,107)</u>	<u>(25,161)</u>

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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
(i) <u>Summarised statements of financial position</u>				
Non-current assets	454,801	530,369	4,937,098	5,232,240
Current assets	496,273	535,900	1,624,319	1,766,808
Non-current liabilities	(336,173)	(400,503)	(3,475,668)	(3,529,029)
Current liabilities	(509,268)	(538,786)	(1,394,246)	(1,556,590)
Non-controlling interests	(445)	332	(37,775)	(43,972)
Total equity	<u>105,188</u>	<u>127,312</u>	<u>1,653,728</u>	<u>1,869,457</u>
Attributable to non-controlling interests	<u>34,147</u>	<u>40,459</u>	<u>751,083</u>	<u>854,416</u>

Parkson Holdings Berhad
(Incorporated in Malaysia)

15. Interests in subsidiaries (cont'd.)

(a) Material non-controlling interests (cont'd.)

Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group is set out below. The summarised financial information below is the amount before inter-company elimination. (cont'd.)

	PRA		PRGL	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
(ii) <u>Summarised statements of profit or loss</u>				
Revenue	679,680	731,499	1,834,502	2,051,060
Profit/(loss) for the financial year	68,121	82,146	(114,515)	(114,623)
Attributable to non-controlling interests	22,420	26,303	(55,527)	(51,464)
Dividends paid to non-controlling interests	(28,501)	-	(14,036)	(14,401)
(iii) <u>Summarised statements of other comprehensive income</u>				
Other comprehensive (loss)/income attributable to non-controlling interests:				
- Foreign currency translation	(230)	2,500	(33,771)	(50,234)
(iv) <u>Summarised statements of cash flows</u>				
Operating activities	229,348	251,154	338,722	346,890
Investing activities	(15,745)	(23,406)	16,753	12,852
Financing activities	(244,198)	(176,725)	(362,942)	(452,825)
Net (decrease)/increase in cash and cash equivalents	(30,595)	51,023	(7,467)	(93,083)

Parkson Holdings Berhad
(Incorporated in Malaysia)

16. Investments in associates

	Group	
	2025	2024
	RM'000	RM'000
Unquoted shares in Malaysia, at cost	10,987	10,987
Unquoted shares outside Malaysia, at cost	23,732	24,412
Share of post-acquisition profits and other comprehensive income, net of dividends received	6,377	7,759
Less: Accumulated impairment loss	<u>(10,987)</u>	<u>(10,987)</u>
	<u>30,109</u>	<u>32,171</u>
Accumulated impairment loss:		
At beginning/end of the financial year	<u>10,987</u>	<u>10,987</u>

Details of associates are as follows:

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *	
			2025	2024
Shanghai Nine Sea Lion Properties Management Co Ltd ("Shanghai Nine Sea") &	People's Republic of China	Property management and real estates services	*/ -	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

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

16. Investments in associates (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *	
			2025	2024
AUM Hospitality Sdn Bhd (Under court liquidation)	Malaysia	Ceased operation	20	20

* Equals to the proportion of voting rights held.

Audited by a member firm of Grant Thornton International.

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

*1 The Group exited its investment in Shanghai Nine Sea during the financial year 31 December 2025.

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.

Parkson Holdings Berhad
(Incorporated in Malaysia)

16. Investments in associates (cont'd.)

Summarised financial information of Parkson Newcore, representing the Group's material associate for the financial year ended 31 December 2025, and Group's share of results of this associate, are set out below. The summarised financial information represents the amounts in the financial statements of the associate and not the Group's share of those amounts.

	RM'000
2025	
(i) <u>Summarised statement of financial position</u>	
Non-current assets	45,577
Current assets	146,596
Total assets	<u>192,173</u>
Non-current liabilities	35,068
Current liabilities	95,659
Total liabilities	<u>130,727</u>
Net assets	<u>61,446</u>
(ii) <u>Summarised statement of profit or loss</u>	
Revenue	438,362
Profit for the financial year	<u>15,596</u>
(iii) Dividend received from the associate	<u>(6,045)</u>
(iv) Group's share of net assets, representing carrying amount of Group's interest in the associate	<u>30,109</u>
(v) Group's share of results of the associate	<u>7,642</u>

Parkson Holdings Berhad
(Incorporated in Malaysia)

16. Investments in associates (cont'd.)

Summarised financial information of the Group's material associates for the financial year ended 31 December 2024, and Group's share of results of associates, are set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

	Parkson Newcore RM'000	Shanghai Nine Sea RM'000	Total material associates RM'000
2024			
(i) <u>Summarised statements of financial position</u>			
Non-current assets	85,482	18	85,500
Current assets	166,620	10,122	176,742
Total assets	<u>252,102</u>	<u>10,140</u>	<u>262,242</u>
Non-current liabilities	65,111	-	65,111
Current liabilities	125,096	4,876	129,972
Total liabilities	<u>190,207</u>	<u>4,876</u>	<u>195,083</u>
Net assets	<u>61,895</u>	<u>5,264</u>	<u>67,159</u>
(ii) <u>Summarised statements of profit or loss</u>			
Revenue	504,900	19,044	523,944
Profit for the financial year	<u>17,849</u>	<u>1,274</u>	<u>19,123</u>
(iii) Dividend received from associates	<u>(8,291)</u>	<u>(140)</u>	<u>(8,431)</u>
(iv) Group's share of net assets, representing carrying amount of Group's interest in associates	<u>30,329</u>	<u>1,842</u>	<u>32,171</u>
(v) Group's share of results of associates	<u>8,746</u>	<u>446</u>	<u>9,192</u>

Parkson Holdings Berhad
(Incorporated in Malaysia)

16. Investments in associates (cont'd.)

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

	Group	
	2025	2024
	RM'000	RM'000
Profit/loss for the financial year	-	-
Group's cumulative share of unrecognised loss	(2,134)	(2,254)

The Group has not recognised loss arising from these other individually non-material associates when its share of losses exceeds the Group's interest in the associates. Those non-material associates were either dormant, had ceased operation or under court liquidation.

17. Investments in joint ventures

	Group	
	2025	2024
	RM'000	RM'000
Unquoted shares outside Malaysia, at cost	-	**
Less: Accumulated impairment loss	-	**
	-	**

** Represent RM3

Details of joint ventures are as follows:

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *	
			2025	2024
Marlow House Asia Limited (Struck off on 1.5.2025)	British Virgin Islands	Dormant	-	50

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

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

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *	
			2025	2024
Watatime group of companies ⁽ⁱ⁾ :				
Watatime Marketing Sdn Bhd	Malaysia	Wholesaling of watches	-	50
J. Bovier Time (M) Sdn Bhd	Malaysia	Retailing of watches	-	50
Watatime (Subang) Sdn Bhd	Malaysia	Retailing of watches	-	50
Watatime (M) Sdn Bhd	Malaysia	Retailing of watches	-	50
Watatime Group Sdn Bhd	Malaysia	Dormant	-	50
The Timepiece Repair Specialist Sdn Bhd	Malaysia	Retailing of watches	-	50
Wata Time (S) Pte Ltd (Struck off on 25.7.2025)	Singapore	Dormant	-	50

* As at 31 December 2024, the Group had voting rights of all its joint ventures under the contractual arrangements, unanimous consent was required from all parties to the agreements for all relevant activities. All the investments in joint ventures were accounted for using the equity method.

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

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

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

- (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 Watatime Disposal was completed during the financial year ended 31 December 2025 upon the fulfilment of conditions precedent.

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

	Group	
	2025	2024
	RM'000	RM'000
Profit for the financial year	-	87

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

18. Deferred tax assets/liabilities

	Group	
	2025	2024
	RM'000	RM'000
At beginning of the financial year	77,884	37,922
Recognised in profit or loss (Note 9)	4,740	42,100
Exchange differences	(3,030)	(2,138)
At end of the financial year	<u>79,594</u>	<u>77,884</u>
Presented after appropriate offsetting as follows:		
Deferred tax assets	176,982	186,651
Deferred tax liabilities	(97,388)	(108,767)
	<u>79,594</u>	<u>77,884</u>

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Unabsorbed capital allowances RM'000	Unused tax losses RM'000	Right-of- use assets and lease liabilities RM'000	Others RM'000	Total RM'000
At 1 January 2025	4,477	45,560	127,580	9,034	186,651
Recognised in profit or loss	3,280	(12,140)	4,113	3,736	(1,011)
Exchange differences	(2)	(2,100)	(5,977)	(579)	(8,658)
At 31 December 2025	<u>7,755</u>	<u>31,320</u>	<u>125,716</u>	<u>12,191</u>	<u>176,982</u>
At 1 January 2024	2,791	41,310	134,783	5,653	184,537
Recognised in profit or loss	1,687	6,534	(1,350)	3,790	10,661
Exchange differences	(1)	(2,284)	(5,853)	(409)	(8,547)
At 31 December 2024	<u>4,477</u>	<u>45,560</u>	<u>127,580</u>	<u>9,034</u>	<u>186,651</u>

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Asset revaluation RM'000	Right-of- use assets RM'000	Withholding taxes RM'000	Total RM'000
At 1 January 2025	-	(95,036)	(7,370)	(6,361)	(108,767)
Recognised in profit or loss	-	3,464	2,327	(40)	5,751
Exchange differences	-	4,960	331	337	5,628
At 31 December 2025	-	(86,612)	(4,712)	(6,064)	(97,388)
At 1 January 2024	(11)	(105,141)	(34,459)	(7,004)	(146,615)
Recognised in profit or loss	11	4,940	26,192	296	31,439
Exchange differences	-	5,165	897	347	6,409
At 31 December 2024	-	(95,036)	(7,370)	(6,361)	(108,767)

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

	Group	
	2025 RM'000	2024 RM'000
Unused tax losses	1,150,451	1,034,035
Unabsorbed capital allowances	26,411	26,009
Other temporary differences	6,129	11,156
	1,182,991	1,071,200
Deferred tax at respective jurisdiction's applicable tax rate, if recognised	293,600	265,569

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.

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate of 5% may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

Effective from year of assessment 2019, the unused tax losses of Malaysian entities as at 31 December 2018 and thereafter will only be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unabsorbed losses will be disregarded.

19. Amounts due from subsidiaries

	Company	
	2025	2024
	RM'000	RM'000
Non-current		
Amounts due from subsidiaries	409	809
Less: Allowance for expected credit loss ("ECL")	(409)	(809)
	<u>-</u>	<u>-</u>
Current		
Amounts due from subsidiaries	7,736	5,120
Less: Allowance for ECL	(4,871)	(4,890)
	<u>2,865</u>	<u>230</u>
Total amounts due from subsidiaries	<u>2,865</u>	<u>230</u>
Movement in allowance for ECL:		
At beginning of the financial year	5,699	4,428
Charge for the financial year	-	3,352
Reversal during the financial year	(419)	(2,081)
At end of the financial year	<u>5,280</u>	<u>5,699</u>

The non-current portion of the amounts due from subsidiaries represents the amount which the Company does not intend to demand repayment within 12 months from the reporting date. The current portion of the amounts due from subsidiaries is unsecured, non-interest bearing and repayable on demand.

Parkson Holdings Berhad
(Incorporated in Malaysia)

20. Trade and other receivables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Trade receivables ⁽ⁱ⁾				
Third parties	496,813	421,283	-	-
Less: Allowance for ECL	(11,036)	(6,133)	-	-
Trade receivables, net	<u>485,777</u>	<u>415,150</u>	<u>-</u>	<u>-</u>
Current				
Trade receivables ⁽ⁱ⁾				
Third parties	276,059	236,807	-	-
Less: Allowance for ECL	(9,671)	(5,517)	-	-
Trade receivables, net	<u>266,388</u>	<u>231,290</u>	<u>-</u>	<u>-</u>
Other receivables				
Sundry receivables ⁽ⁱⁱ⁾	185,157	177,286	2	2
Less: Allowance for ECL	(15,001)	(18,485)	-	-
	170,156	158,801	2	2
Prepayments	32,331	30,097	-	-
Less: Allowance for ECL	(11,393)	(12,073)	-	-
	20,938	18,024	-	-
Deposits	119,898	148,211	7	12
Less: Allowance for ECL	(45,911)	(34,414)	-	-
	73,987	113,797	7	12
Amount due from a joint venture	-	1,000	-	-
Less: Allowance for ECL	-	(1,000)	-	-
	-	-	-	-
Amounts due from related parties ⁽ⁱⁱⁱ⁾	117	117	113	113
Less: Allowance for ECL	(113)	(113)	(113)	(113)
	4	4	-	-
Lease prepayments	9,952	6,885	-	-
Lease receivables from subleases (Note 21)	31,355	57,264	-	-
Other receivables, net	<u>306,392</u>	<u>354,775</u>	<u>9</u>	<u>14</u>
Total current trade and other receivables	<u>572,780</u>	<u>586,065</u>	<u>9</u>	<u>14</u>

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Trade and other receivables (as above)				
- Non-current	485,777	415,150	-	-
- Current	572,780	586,065	9	14
Total trade and other receivables	1,058,557	1,001,215	9	14
Add: Deposits, cash and bank balances (Note 23)	1,307,423	1,395,090	2,394	5,198
Add: Non-current other receivables (Note 21)	23,871	50,761	-	-
Add: Amounts due from subsidiaries (Note 19)	-	-	2,865	230
Less: Prepayments	(20,938)	(18,024)	-	-
Less: Lease prepayments	(9,952)	(6,885)	-	-
Total financial assets carried at amortised cost	2,358,961	2,422,157	5,268	5,442

(i) Trade receivables

Included in trade receivables are loan receivables from credit services segment of RM720,279,000 (2024: RM599,489,000).

(ii) Sundry receivables

Sundry receivables comprise the following:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Advances to suppliers	9,170	15,695	-	-
Operating lease receivables	106,240	91,668	-	-
Accrued interest on deposits	8,587	1,097	-	-
Others	61,160	68,826	2	2
	185,157	177,286	2	2

Sundry receivables are non-interest bearing with average credit terms ranging from 1 to 90 days (2024: 1 to 90 days).

20. Trade and other receivables (cont'd.)**(iii) 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 33.

Trade receivables

Trade receivables consist of mainly loan receivables relating to the Group's provision of financing facilities based on Islamic principles. Other trade receivables have credit terms ranging from payment in advance to 30 days (2024: payment in advance to 30 days).

Other information on financial risks of trade and other receivables are disclosed in Note 36.

Ageing analysis of trade receivables

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

	Group	
	2025	2024
	RM'000	RM'000
Within 1 year	266,388	231,290
1 to 2 years	216,838	169,790
Over 2 years	268,939	245,360
	<u>752,165</u>	<u>646,440</u>

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

Trade receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

Receivables that are past due but not impaired are unsecured in nature. Management is confident that these receivables are recoverable as these accounts are still active.

Trade receivables that are impaired

The Group uses general approach in performing impairment analysis for loan receivables at each reporting date. Under the general approach, impairment analysis is performed based on 3 stages to measure ECLs. The Group, on the other hand, applies a simplified approach in calculating ECLs for other trade receivables.

Set out below is the information about the credit risk exposure on the Group's trade receivables as at 31 December 2025 and 31 December 2024:

	←—— Credit services ———→			Others	Total
	12-month ECLs	←—— Lifetime ECLs ———→			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Simplified approach RM'000	RM'000
At 1 January 2024	298	2,386	7,529	1,221	11,434
Charge for the financial year	41	703	17,758	-	18,502
Reversal of impairment loss	-	-	-	(54)	(54)
Written off	-	-	(17,095)	(18)	(17,113)
Exchange differences	-	(1)	(1,131)	13	(1,119)
At 31 December 2024 and 1 January 2025	339	3,088	7,061	1,162	11,650
Charge for the financial year	240	2,379	46,900	-	49,519
Reversal of impairment loss	-	-	-	(26)	(26)
Written off	-	-	(38,837)	-	(38,837)
Exchange differences	(40)	(363)	(1,191)	(5)	(1,599)
At 31 December 2025	539	5,104	13,933	1,131	20,707

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

Other receivables that are impaired

The other receivables that are impaired at the reporting date are principally on delinquent accounts and the movement of allowance for ECL used to record the impairment losses are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Sundry receivables - nominal amounts	15,001	18,485
Less: Allowance for ECL	(15,001)	(18,485)
	-	-
Prepayments - nominal amounts	11,393	12,073
Less: Allowance for ECL	(11,393)	(12,073)
	-	-
Deposits - nominal amounts	45,911	34,414
Less: Allowance for ECL	(45,911)	(34,414)
	-	-
Amount due from a joint venture - nominal amounts	-	1,000
Less: Allowance for ECL	-	(1,000)
	-	-
Amounts due from related parties - nominal amounts	113	113
Less: Allowance for ECL	(113)	(113)
	-	-
	Company	
	2025	2024
	RM'000	RM'000
Amounts due from related parties - nominal amounts	113	113
Less: Allowance for ECL	(113)	(113)
	-	-

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

Movement in allowance for ECL:

Group	Trade receivables RM'000	Sundry receivables RM'000	Prepayments RM'000	Deposits RM'000	Amounts due from joint ventures RM'000	Amounts due from related parties RM'000	Total RM'000
At 1 January 2024	11,434	20,325	12,716	21,520	7,810	113	73,918
Charge for the financial year	18,502	-	-	13,839	-	-	32,341
Reversal of impairment loss	(54)	(1,215)	-	-	(1,000)	-	(2,269)
Written off	(17,113)	-	-	-	(5,810)	-	(22,923)
Exchange differences	(1,119)	(625)	(643)	(945)	-	-	(3,332)
At 31 December 2024 and 1 January 2025	11,650	18,485	12,073	34,414	1,000	113	77,735
Charge for the financial year	49,519	1,684	-	14,594	-	-	65,797
Reversal of impairment loss	(26)	-	-	-	(1,000)	-	(1,026)
Written off	(38,837)	(4,082)	-	-	-	-	(42,919)
Exchange differences	(1,599)	(1,086)	(680)	(3,097)	-	-	(6,462)
At 31 December 2025	20,707	15,001	11,393	45,911	-	113	93,125

Parkson Holdings Berhad
(Incorporated in Malaysia)

21. Other receivables

	Group	
	2025	2024
	RM'000	RM'000
Non-current		
Lease receivables from subleases ⁽ⁱ⁾	11,307	36,467
Lease deposits	18,964	21,609
Other deposit ⁽ⁱⁱ⁾	60,392	66,598
	<u>90,663</u>	<u>124,674</u>
Less: Allowance for ECL	<u>(66,792)</u>	<u>(73,913)</u>
	<u>23,871</u>	<u>50,761</u>
Movement in allowance for ECL:		
At beginning of the financial year	73,913	14,748
Charge for the financial year	-	60,995
Exchange differences	<u>(7,121)</u>	<u>(1,830)</u>
At end of the financial year	<u>66,792</u>	<u>73,913</u>

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

	Group	
	2025	2024
	RM'000	RM'000
At beginning of the financial year	93,731	158,156
Addition arising from new leases	14,618	8,734
Accretion of interest recognised during the financial year (Note 7)	5,767	10,502
Decrease arising from lease term modification	(12,272)	(14,204)
Proceeds from subleases	(52,918)	(63,231)
Exchange differences	<u>(6,264)</u>	<u>(6,226)</u>
At end of the financial year	<u>42,662</u>	<u>93,731</u>
Disclosed as:		
Current (Note 20)	31,355	57,264
Non-current	<u>11,307</u>	<u>36,467</u>
	<u>42,662</u>	<u>93,731</u>

- (ii) Other deposit represents an amount of US\$14,884,000 (2024: US\$14,884,000) paid for the progress billings from the proposed lease and acquisition of a retail mall in Cambodia.

Parkson Holdings Berhad
(Incorporated in Malaysia)

22. Investment securities

	Group	
	2025	2024
	RM'000	RM'000
Non-current		
Financial assets at fair value through other comprehensive income ("FVOCI"):		
- Unquoted equity securities ⁽ⁱ⁾	<u>1,570</u>	<u>1,573</u>
Current		
Financial assets at fair value through profit or loss ("FVPL"):		
- Wealth management products ⁽ⁱⁱ⁾	<u>44,793</u>	<u>40,885</u>
Total investment securities	<u>46,363</u>	<u>42,458</u>

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

	Group	
	2025	2024
	RM'000	RM'000
At beginning of the financial year	40,885	37,159
Additions during the financial year	93,983	41,691
Redemption during the financial year	(88,262)	(36,956)
Change of fair value (Note 7)	371	901
Exchange differences	(2,184)	(1,910)
At end of the financial year	<u>44,793</u>	<u>40,885</u>

23. Deposits, cash and bank balances

	Group	
	2025	2024
	RM'000	RM'000
Non-current		
Time deposits, representing total non-current deposits, cash and bank balances	<u>14,107</u>	<u>16,064</u>

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current				
Deposits, cash and bank balances:				
Cash on hand and at banks	749,341	809,747	1,544	1,548
Restricted cash	35,231	39,238	-	-
Deposits with licensed banks	332,744	232,041	850	3,650
Deposits with licensed finance companies	176,000	298,000	-	-
Total current deposits, cash and bank balances	1,293,316	1,379,026	2,394	5,198
Deposits, cash and bank balances (as above)				
- Non-current	14,107	16,064	-	-
- Current	1,293,316	1,379,026	2,394	5,198
Total deposits, cash and bank balances	1,307,423	1,395,090	2,394	5,198
Less:				
Time deposits with original maturity of more than three months when acquired	(11,561)	(5,012)	-	-
Pledged deposits	(49,266)	(50,120)	-	-
Bank overdrafts (Note 27)	-	(191)	-	-
Cash and cash equivalents	1,246,596	1,339,767	2,394	5,198

As at 31 December 2025, deposits with licensed banks and time deposits of the Group amounting to a total of RM33,765,000 (2024: RM33,442,000) 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 RM15,501,000 (2024: RM16,678,000) held in designated bank accounts for performance guarantees.

The deposits, cash and bank balances of the subsidiaries in the PRC which amounted to RM795,831,000 (2024: RM844,589,000) 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.

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

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

	Group	
	2025	2024
	%	%
Licensed banks	3.3	3.3
Licensed finance companies	3.4	3.4

Deposits of the Group have varying periods of between 1 day and 36 months (2024: 1 day and 36 months). Bank balances are deposits held at call with licensed banks.

24. Inventories

	Group	
	2025	2024
	RM'000	RM'000
At costs:		
Merchandise inventories	236,059	331,918
Consumables	1,978	2,057
Total	238,037	333,975

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM1,072,083,000 (2024: RM1,229,572,000).

The amounts of inventories written down of RM930,000 (2024: RM327,000) and write back of inventory obsolescence of RM160,000 (2024: RM1,798,000) were recognised in profit or loss during the financial year.

25. Share capital

Group/Company	Number of ordinary shares		Amount	
	2025	2024	2025	2024
	'000	'000	RM'000	RM'000
Issued share capital:				
At beginning/end of the financial year	1,148,902	1,148,902	2,160,580	2,160,580

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

198201009470 (89194-P)

Parkson Holdings Berhad
(Incorporated in Malaysia)

26. Other reserves

Group	Exchange fluctuation reserves RM'000	Asset revaluation reserve RM'000	Capital reserves RM'000	Merger deficit RM'000	Premium on acquisition of non-controlling interests RM'000	Fair value reserve of financial assets at FVOCI RM'000	Total RM'000
At 1 January 2025	335,045	84,735	102,637	(2,071,102)	(3,843)	442	(1,552,086)

Other comprehensive (loss)/
income for the financial year

Foreign currency translation	(63,110)	(8,195)	(9,311)	-	-	(26)	(80,642)
Less: Non-controlling interests	26,110	3,690	4,193	-	-	8	34,001
	(37,000)	(4,505)	(5,118)	-	-	(18)	(46,641)

Transactions with owners
Transfer to capital reserves,
representing total transactions
with owners

At 31 December 2025	-	-	1,839	-	-	-	1,839
	298,045	80,230	99,358	(2,071,102)	(3,843)	424	(1,596,888)

198201009470 (89194-P)

Parkson Holdings Berhad
(Incorporated in Malaysia)

26. Other reserves (cont'd.)

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

26. Other reserves (cont'd.)

Company	Capital redemption	
	reserve	
	2025	2024
	RM'000	RM'000
At beginning/end of the financial year	<u>2,905,831</u>	<u>2,905,831</u>

(a) Asset revaluation reserve

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

(b) Capital reserves

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

(c) Merger deficit

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

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

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

27. Loans and borrowings

	Group	
	2025	2024
	RM'000	RM'000
Current		
Secured:		
<u>Financial institutions</u>		
Bank loans - Rmb denominated	58,810	61,310
Sukuk	136,980	89,906
Revolving financing	4,838	13,726
Bankers' acceptance	6,238	5,903
Bank overdrafts	-	191
<u>Non-financial institutions</u>		
Lenders from non-financial institutions	32,461	98,437
Total current loans and borrowings	<u>239,327</u>	<u>269,473</u>
Non-current		
Secured:		
<u>Financial institutions</u>		
Bank loans - Rmb denominated	1,289,981	1,420,743
Sukuk	213,517	115,423
Revolving financing	23,152	22,007
<u>Non-financial institutions</u>		
Lenders from non-financial institutions	12,176	-
Total non-current loans and borrowings	<u>1,538,826</u>	<u>1,558,173</u>
Total loans and borrowings	<u>1,778,153</u>	<u>1,827,646</u>
Total loans and borrowings		
Bank loans	1,348,791	1,482,053
Sukuk	350,497	205,329
Revolving financing	27,990	35,733
Bankers' acceptance	6,238	5,903
Lenders from non-financial institutions	44,637	98,437
Bank overdrafts	-	191
	<u>1,778,153</u>	<u>1,827,646</u>
Maturity of loans and borrowings:		
Within one year	239,327	269,473
More than one year and less than two years	1,424,321	184,906
More than two years and less than five years	114,505	1,373,267
	<u>1,778,153</u>	<u>1,827,646</u>

Parkson Holdings Berhad
(Incorporated in Malaysia)

27. Loans and borrowings (cont'd.)

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

	At 1.1.2025 RM'000	Proceeds RM'000	Repayment RM'000	Exchange differences RM'000	At 31.12.2025 RM'000
Bank loans	1,482,053	-	(58,050)	(75,212)	1,348,791
Sukuk	205,329	145,168	-	-	350,497
Revolving financing	35,733	21,552	(29,295)	-	27,990
Bankers' acceptance	5,903	13,062	(12,712)	(15)	6,238
Lenders from non-financial institutions	98,437	-	(46,124)	(7,676)	44,637
Total	1,827,455	179,782	(146,181)	(82,903)	1,778,153

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

Parkson Holdings Berhad
(Incorporated in Malaysia)

27. Loans and borrowings (cont'd.)

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

	Group	
	2025	2024
	%	%
Bank loans	3.0	3.1
Sukuk	5.8	6.2
Revolving financing	3.7	6.6
Bankers' acceptance	4.2	4.5
Lenders from non-financial institutions	13.3	14.3
Bank overdrafts	-	7.6

- (i) On 15 March 2024, the Group, as borrower, had entered into a facility agreement with a syndicate of banks, as lenders, in relation to a syndicated loan facility in an aggregate amount of up to Rmb2,500,000,000 (equivalent to approximately RM1,532,750,000) ("Loan Facility") for a term of 36 months commencing from the first drawdown date. The Loan Facility is to refinance the Group's existing HK\$ denominated bank loans. The Group had in June 2024, drawn down Rmb2,470,000,000 (equivalent to approximately RM1,514,357,000) to fully settle the HK\$ denominated bank loans.

As at 31 December 2025, bank loans of the Group denominated in Rmb are secured by property, plant and equipment, investment properties and land use rights with total net carry amount of RM1,205,830,000 (2024: RM1,321,551,000).

- (ii) During the financial year ended 31 December 2025, Pinnacle Yields Sdn Bhd ("Pinnacle Yields"), the special purpose vehicle set up for the sole purpose of undertaking the asset-backed Islamic medium term note programme of up to RM1 billion in nominal value based on the Shariah principle of Wakalah Bi-Al Istithmar ("Sukuk") as mentioned in Note 15, had issued three tranches of Sukuk amounting to RM193 million (2024: one tranche amounting to RM273 million), of which RM48 million (2024: RM68 million) were subscribed by Parkson Credit Sdn Bhd.

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

27. Loans and borrowings (cont'd.)

(ii) (cont'd.)

The main features of the Sukuk are as follows:

- The maximum issue size of the RM1 billion Sukuk consists of a multiple series of Class A and Class B;
- All Sukuk under the first to fourth tranches were issued at par and have maturity tenures ranging from 2 to 5 years;
- As at 31 December 2025, the Class A Sukuk bears effective profit rates ranging from 5.75% to 6.03% per annum (2024: 6.24% per annum), payable monthly in arrears with the last profit payment to be made on the respective maturity dates; and
- As at 31 December 2025, the Class B Sukuk bears effective profit rates ranging from 0% to 45.40% per annum (2024: 70% per annum), payable monthly in arrears with the last profit payment to be made on the respective maturity dates.

The Sukuk is secured by the following:

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

As at 31 December 2025, the Sukuk is secured by, among others, trade receivables of RM452,974,000 (2024: RM226,582,000) which are assigned to Pinnacle Yields.

- (iii) As at 31 December 2025, revolving financing of the Group of RM27,990,000 (2024: RM35,733,000) is secured by trade receivables of RM28,738,000 (2024: RM26,876,000).
- (iv) As at 31 December 2025, bankers' acceptance, bank overdrafts and bank guarantee facilities of the Group are secured by deposits with licensed banks of RM33,765,000 (2024: RM33,442,000).
- (v) As at 31 December 2025, amounts due to lenders from non-financial institutions of RM28,402,000 (2024: RM76,066,000) and RM16,235,000 (2024: RM22,371,000) are secured by an investment property with a carrying amount of RM133,495,000 (2024: RM153,245,000), and 924,200,000 ordinary shares (2024: 924,200,000 ordinary shares) of HK\$0.02 each in the capital of PRGL, respectively.

Parkson Holdings Berhad
(Incorporated in Malaysia)

28. Long term payables

	Group	
	2025	2024
	RM'000	RM'000
Rental deposits	1,408	1,636

Non-current rental deposits have maturity ranging from 2 to 13 years (2024: 2 to 13 years). The rental deposits are initially recognised at their fair values.

29. Provisions

	Group	
	2025	2024
	RM'000	RM'000
Non-current	18,112	19,988
Current	6,641	5,658
Total	24,753	25,646

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	
	2025	2024
	RM'000	RM'000
At beginning of the financial year	25,646	24,674
Arose during the financial year (Note 11(iv))	47	427
Reversed during the financial year	(1,558)	(265)
Unwinding of discount (Note 7)	829	733
Exchange differences	(211)	77
At end of the financial year	24,753	25,646

Parkson Holdings Berhad
(Incorporated in Malaysia)

30. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current				
Trade and other payables:				
Trade payables ⁽ⁱ⁾	554,230	672,623	-	-
Other payables ⁽ⁱⁱ⁾	230,213	245,500	-	-
Deposits	102,031	106,439	-	-
Accruals	88,036	98,255	1,162	1,167
Total trade and other payables	974,510	1,122,817	1,162	1,167
Add:				
Loans and borrowings (Note 27)	1,778,153	1,827,646	-	-
Rental deposits (Note 28)	1,408	1,636	-	-
Amounts due to subsidiaries	-	-	2,578	2,475
Total financial liabilities carried at amortised cost	2,754,071	2,952,099	3,740	3,642

(i) Credit terms of trade payables granted to the Group vary from 30 to 90 days (2024: 30 to 90 days).

(ii) Other payables are normally settled on average terms of 30 to 90 days (2024: average terms of 30 to 90 days).

Other information on financial risks of trade and other payables are disclosed in Note 36.

Parkson Holdings Berhad
(Incorporated in Malaysia)

31. Contract liabilities

	Group	
	2025	2024
	RM'000	RM'000
Deferred revenue from:		
Gift cards/vouchers sold ⁽ⁱ⁾	325,547	379,401
Customer loyalty award ⁽ⁱⁱ⁾	11,079	12,239
	336,626	391,640

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

	Group	
	2025	2024
	RM'000	RM'000
At beginning of the financial year	379,401	405,623
Arose during the financial year	336,420	393,668
Revenue recognised during the financial year	(369,727)	(399,196)
Lapsed amounts reversed	(1,205)	(1,058)
Exchange differences	(19,342)	(19,636)
At end of the financial year	325,547	379,401

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

	Group	
	2025	2024
	RM'000	RM'000
At beginning of the financial year	12,239	13,584
Arose during the financial year	12,624	14,293
Revenue recognised during the financial year	(13,343)	(15,202)
Exchange differences	(441)	(436)
At end of the financial year	11,079	12,239

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.

Parkson Holdings Berhad
(Incorporated in Malaysia)

33. Significant related party disclosures

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

- (a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties were entered into during the financial year:

	Group	
	2025	2024
	RM'000	RM'000
Purchases of goods and services from:		
- BonusKad Loyalty Sdn Bhd	5,008	5,346
- Lion Group Management Services Sdn Bhd	531	531
- Posim Marketing Sdn Bhd	675	674
- Secom (Malaysia) Sdn Bhd	737	756
- Brands Pro Management Sdn Bhd	268	320
Rental of office and/or warehouse space from:		
- Visionwell Sdn Bhd	763	677

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 2025 are disclosed in Note 19, Note 20, Note 30 and Note 32.

Parkson Holdings Berhad
(Incorporated in Malaysia)

33. Significant related party disclosures (cont'd.)

(b) Compensation of key management personnel

The remuneration of the Managing Director and the Executive Director of the Company and other members of key management during the financial year are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Short term employee benefits	6,895	7,003	200	203
Pension costs				
- Defined contribution plans	198	182	-	-
	7,093	7,185	200	203

34. Commitments

Capital commitments

Capital expenditure at the reporting date is as follows:

	Group	
	2025	2024
	RM'000	RM'000
Purchase of property, plant and equipment:		
Approved and contracted for	4,658	314

Parkson Holdings Berhad
(Incorporated in Malaysia)

35. 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
2025	
Investment properties (Note 12):	
Completed investment properties	1,857,600
IPUC	133,500
Investment securities (Note 22):	
Financial assets at FVOCI	
- Unquoted equity securities	1,570
Financial assets at FVPL	
- Wealth management products	44,793
	<u>44,793</u>
2024	
Investment properties (Note 12):	
Completed investment properties	1,961,920
IPUC	153,396
Investment securities (Note 22):	
Financial assets at FVOCI	
- Unquoted equity securities	1,573
Financial assets at FVPL	
- Wealth management products	40,885
	<u>40,885</u>

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

35. Fair value (cont'd.)

(a) Fair value measurement (cont'd.)

There has been no transfer between Levels 1, 2 and 3 for the financial years under review.

Fair value of investment properties is determined on an open market, existing use basis by the Group, as disclosed in Note 12.

Fair values of unquoted equity securities and wealth management products are determined using the future cash flows that are estimated based on expected applicable yield of the underlying investment portfolio and discounted at rates that reflect the credit risk of various counterparties.

Changing one or more of the inputs to reasonable alternative assumptions would not significantly change the fair values of the financial assets categorised as Level 3 under the fair value hierarchy.

(b) Financial instruments

- (i) The following are classes of financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximations of fair values:

	Note
Lease liabilities	13(b)
Amounts due from subsidiaries	19
Trade and other receivables	20
Investment securities	22
Deposits, cash and bank balances	23
Trade and other payables	30
Amounts due to subsidiaries	32

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

35. Fair value (cont'd.)

(b) Financial instruments (cont'd.)

- (ii) The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(aa) Financial instruments classified as current

The fair values of the Group's and of the Company's financial instruments, other than amounts due from/to subsidiaries/related parties, which are classified as current approximate to their carrying amounts due to the relatively short term maturity of these financial instruments.

(bb) Long term time deposits, loans and borrowings

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

(cc) Deposit receivables/payables

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

(dd) Lease liabilities

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

36. 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 300 basis point (2024: 300 basis point) in interest rate, arising mainly from the lower/higher interest on bank loans, with all other variables held constant, would have no material impact on the Group's profit or loss.

(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.

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

(b) Foreign currency risk (cont'd.)

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

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

Functional currency	Net financial assets held in			Total RM'000
	US\$ RM'000	HK\$ RM'000	SGD RM'000	
Deposits, cash and bank balances				
2025				
Ringgit Malaysia	10,091	4,258	32	14,381
Chinese Renminbi	-	5,722	-	5,722
	10,091	9,980	32	20,103
2024				
Ringgit Malaysia	281	12,855	66	13,202
Chinese Renminbi	16,480	1,530	-	18,010
Singapore Dollar	1,907	-	-	1,907
	18,668	14,385	66	33,119

Foreign currency sensitivity

A reasonably possible change of 2% (2024: 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.

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group manages its operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash and bank balances to meet its working capital requirements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Not later than one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities:				
Group				
2025				
Trade and other payables	974,510	-	-	974,510
Loans and borrowings:				
Bankers' acceptance	6,238	-	-	6,238
Bank loans	99,922	1,308,907	-	1,408,829
Sukuk	144,856	239,563	-	384,419
Revolving financing	5,762	24,539	-	30,301
Lenders from non-financial institutions	37,787	12,444	-	50,231
Rental deposits	-	-	1,408	1,408
Lease liabilities	495,136	1,402,207	1,856,882	3,754,225
Total undiscounted financial liabilities	1,764,211	2,987,660	1,858,290	6,610,161

Parkson Holdings Berhad
(Incorporated in Malaysia)

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

(c) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (cont'd.)

	Not later than one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities:				
Group (cont'd.)				
2024				
Trade and other payables	1,122,817	-	-	1,122,817
Loans and borrowings:				
Bank overdrafts	191	-	-	191
Bankers' acceptance	5,903	-	-	5,903
Bank loans	107,460	1,487,946	-	1,595,406
Sukuk	95,513	130,297	-	225,810
Revolving financing	14,937	23,304	-	38,241
Lenders from non-financial institutions	112,534	-	-	112,534
Rental deposits	-	-	1,636	1,636
Lease liabilities	623,877	1,554,009	1,715,245	3,893,131
Total undiscounted financial liabilities	2,083,232	3,195,556	1,716,881	6,995,669
Company				
2025				
Trade and other payables	1,162	-	-	1,162
Amounts due to subsidiaries	2,578	-	-	2,578
Total undiscounted financial liabilities	3,740	-	-	3,740
2024				
Trade and other payables	1,167	-	-	1,167
Amounts due to subsidiaries	2,475	-	-	2,475
Total undiscounted financial liabilities	3,642	-	-	3,642

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

(d) Credit risk

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

Exposure to credit risk

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

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

Credit risk concentration profile

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

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

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

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

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

37. 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 and properties in Malaysia and PRC.
- (ii) Others - Operation of credit services, food and beverage businesses, and investment holding.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on operating profit. Group financing (including finance income and finance costs) and income taxes are managed on a group basis and are not allocated to reportable segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment assets

Segment assets represent total assets of the Group. The segment assets are presented in a manner that is consistent with the internal reporting provided to management for the purpose of making decisions on resource allocation and performance assessment.

Segment liabilities

Segment liabilities represent total liabilities of the Group. The segment liabilities are presented in a manner that is consistent with the internal reporting provided to management for the purpose of making decisions on resource allocation and performance assessment.

Segment capital expenditure

Segment capital expenditure represent total costs incurred during the financial years to acquire property, plant and equipment, investment properties and intangible assets.

Parkson Holdings Berhad
(Incorporated in Malaysia)

37. Segmental information (cont'd.)

The Group's segmental information is as follows:

	← Retailing →		Others RM'000	Total RM'000
	Malaysia RM'000	PRC RM'000		
2025				
Revenue:				
External customers	692,134	1,702,430	141,335	2,535,899
Inter-segment	-	-	-	-
Total revenue	<u>692,134</u>	<u>1,702,430</u>	<u>141,335</u>	<u>2,535,899</u>
Results:				
Segment profit	132,252	259,070	53,762	445,084
Finance income				30,923
Finance costs				(300,940)
Share of results of associates				7,642
Impairment loss on:				
- Property, plant and equipment				(62,195)
- An investment property				(19,750)
- Right-of-use assets				(45,985)
- Intangible assets				<u>(62,264)</u>
Loss before tax				<u>(7,485)</u>
Segment assets	969,807	5,826,429	938,629	7,734,865
Segment liabilities	820,015	4,459,823	477,016	5,756,854
Capital expenditure	<u>16,511</u>	<u>35,974</u>	<u>686</u>	<u>53,171</u>

Parkson Holdings Berhad
(Incorporated in Malaysia)

37. Segmental information (cont'd.)

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

2024	← Retailing →		Others RM'000	Total RM'000
	Malaysia RM'000	PRC RM'000		
Revenue:				
External customers	744,802	1,949,871	110,401	2,805,074
Inter-segment	-	-	-	-
Total revenue	<u>744,802</u>	<u>1,949,871</u>	<u>110,401</u>	<u>2,805,074</u>
Results:				
Segment profit	170,871	205,230	39,692	415,793
Finance income				37,522
Finance costs				(340,348)
Share of results of associates				9,192
Impairment loss on:				
- Property, plant and equipment				(31,300)
- An investment property				(7,018)
- Right-of-use assets				(19,797)
- Intangible assets				(75,263)
- Other receivables				(60,995)
Loss before tax				<u>(72,214)</u>
Segment assets	1,090,147	6,365,038	862,672	8,317,857
Segment liabilities	920,479	4,810,035	411,580	6,142,094
Capital expenditure	<u>29,573</u>	<u>38,350</u>	<u>145</u>	<u>68,068</u>

Parkson Holdings Berhad
(Incorporated in Malaysia)

37. Segmental information (cont'd.)

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

	Group	
	2025	2024
	RM'000	RM'000
Malaysia	580,928	676,251
PRC	4,302,151	4,631,287
Others	4	4
	<u>4,883,083</u>	<u>5,307,542</u>

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

Information about major customer

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

38. Capital management

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

The Group regularly reviews and manages its capital structure and makes adjustments to it, taking into consideration of changes in economic conditions, future capital requirements of the Group, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities. No changes were made in the objective, policies or processes during the financial years ended 31 December 2025 and 31 December 2024.

Parkson Holdings Berhad
(Incorporated in Malaysia)

38. Capital management (cont'd.)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, lease liabilities, loans and borrowings, less deposits, cash and bank balances and current investment securities. Capital represents total equity of the Group.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Lease liabilities (Note 13(b))	2,522,427	2,647,811	-	-
Loans and borrowings (Note 27)	1,778,153	1,827,646	-	-
Less: Deposits, cash and bank balances (Note 23)	(1,307,423)	(1,395,090)	(2,394)	(5,198)
Investment securities - current (Note 22)	(44,793)	(40,885)	-	-
Net debt/(cash) (A)	<u>2,948,364</u>	<u>3,039,482</u>	<u>(2,394)</u>	<u>(5,198)</u>
Total equity, representing total capital	<u>1,978,011</u>	<u>2,175,763</u>	<u>2,707,375</u>	<u>2,708,680</u>
Capital and net debt (B)	<u>4,926,375</u>	<u>5,215,245</u>	<u>2,704,981</u>	<u>2,703,482</u>
Gearing ratio (A/B)	<u>60%</u>	<u>58%</u>	<u>*</u>	<u>*</u>

* Not applicable as the Company does not have debt.

39. Status of litigations

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

There are no updates to the status of the litigation during the financial year ended 31 December 2025.

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

Details of the Suit were reported in the 2023 AFS.

On 26 May 2025, the High Court of Malaya dismissed PKNS's claim against PCSB in its entirety and awarded RM30,000 in costs in favour of PCSB.

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