

## 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