

## FINANCIAL STATEMENTS

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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**

	<b>Group RM'000</b>	<b>Company RM'000</b>
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.

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**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)

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**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)

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**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:

	<b>Group RM'000</b>	<b>Company RM'000</b>
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.

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### 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	
<b>Tan Sri Cheng Heng Jem</b>				
Direct interest	286,923,039	-	-	286,923,039
Deemed interest	339,994,089	-	-	339,994,089
<b>Ooi Kim Lai</b>				
Direct interest	197	-	-	197

	27.11.2025 <sup>^</sup>	Number of ordinary shares		31.12.2025
		Acquired	Disposed	
<b>Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin</b>				
Deemed interest	500,000	-	-	500,000

<sup>^</sup> 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	
<b>Parkson Retail Asia Limited ("PRA")</b>				
Tan Sri Cheng Heng Jem	500,000	-	-	500,000
Cheng Hui Yen, Natalie	50,000	-	-	50,000

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**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.

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**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.

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**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

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**Parkson Holdings Berhad**  
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**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



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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)**

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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.

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**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.

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

*Key Audit Matters (cont'd.)*

**Key Audit Matters**

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

The Group primarily operates retail stores as well as food and beverage stores in Malaysia and China. The Group recognised property, plant and equipment and right-of-use assets with carrying amounts of RM1,498,640,000 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

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

*Key Audit Matters (cont'd.)*

**Key Audit Matters**

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

*Impairment of goodwill*

The Group has a balance of goodwill of 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;

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

*Key Audit Matters (cont'd.)*

**Key Audit Matters**

*Impairment of goodwill (cont'd.)*

*Impairment assessment of interests in subsidiaries (Parent company only)*

The Company has balance of interests in subsidiaries of RM2,705,634,000 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;

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

*Key Audit Matters (cont'd.)*

**Key Audit Matters**

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

**How our audit address the Key Audit Matters**

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

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

*Information Other than the Financial Statements and Auditors' Report Thereon*

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

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

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

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

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

*Responsibilities of the Directors for the Financial Statements*

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

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

*Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

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

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

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

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

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

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

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

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

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

*Report on Other Legal and Regulatory Requirements*

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

**Other Matters**

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



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



Lian Tian Kwee  
(No: 02943/05/2027 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	<b>2,535,899</b>	2,805,074	-	11,400
Other income	5	<b>404,397</b>	343,916	-	-
Purchase of goods and changes in inventories		<b>(1,072,083)</b>	(1,229,572)	-	-
Employee benefits expense	6	<b>(418,616)</b>	(437,814)	<b>(201)</b>	(204)
Depreciation and amortisation		<b>(427,738)</b>	(482,042)	<b>(1)</b>	(1)
Promotional and advertising expenses		<b>(29,863)</b>	(34,136)	-	-
Rental expenses		<b>(63,527)</b>	(69,317)	-	-
Other expenses	8(d)	<b>(483,385)</b>	(480,316)	<b>(1,440)</b>	(1,477)
Operating profit/(loss)		<b>445,084</b>	415,793	<b>(1,642)</b>	9,718
Finance income	7	<b>30,923</b>	37,522	<b>61</b>	95
Finance costs	7	<b>(300,940)</b>	(340,348)	-	-
Share of results of associates		<b>7,642</b>	9,192	-	-
Reversal of impairment loss on amounts due from subsidiaries	19	-	-	<b>419</b>	2,081
Impairment loss on:					
- Property, plant and equipment	11	<b>(62,195)</b>	(31,300)	-	-
- An investment property	12	<b>(19,750)</b>	(7,018)	-	-
- Right-of-use assets	13(a)	<b>(45,985)</b>	(19,797)	-	-
- Intangible assets	14	<b>(62,264)</b>	(75,263)	-	-
- Other receivables	21	-	(60,995)	-	-
- Amount due from a subsidiary	19	-	-	-	(3,352)
(Loss)/profit before tax	8	<b>(7,485)</b>	(72,214)	<b>(1,162)</b>	8,542
Income tax expense	9	<b>(67,088)</b>	(54,975)	<b>(143)</b>	(308)
(Loss)/profit for the financial year		<b>(74,573)</b>	(127,189)	<b>(1,305)</b>	8,234
<b>(Loss)/profit for the financial year attributable to:</b>					
Owners of the parent		<b>(41,466)</b>	(102,028)	<b>(1,305)</b>	8,234
Non-controlling interests	15(a)	<b>(33,107)</b>	(25,161)	-	-
		<b>(74,573)</b>	(127,189)	<b>(1,305)</b>	8,234
<b>Loss per share (sen):</b>					
Basic and diluted	10	<b>(3.61)</b>	(8.88)		

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

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

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
<b>Assets</b>			
<b>Non-current assets</b>			
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>
<b>Current assets</b>			
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>
<b>Total assets</b>		<u>7,734,865</u>	<u>8,317,857</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
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
<b>Total equity</b>		<u>1,978,011</u>	<u>2,175,763</u>

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**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
<b>Equity and liabilities (cont'd.)</b>			
<b>Non-current liabilities</b>			
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>
<b>Current liabilities</b>			
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>
<b>Total liabilities</b>		<u>5,756,854</u>	<u>6,142,094</u>
<b>Total equity and liabilities</b>		<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
<b>Assets</b>			
<b>Non-current assets</b>			
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>
<b>Current assets</b>			
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>
<b>Total assets</b>		<u>2,711,115</u>	<u>2,712,322</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the parent</b>			
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)
<b>Total equity</b>		<u>2,707,375</u>	<u>2,708,680</u>
<b>Current liabilities</b>			
Trade and other payables	30	1,162	1,167
Amounts due to subsidiaries	32	2,578	2,475
<b>Total liabilities</b>		<u>3,740</u>	<u>3,642</u>
<b>Total equity and liabilities</b>		<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)				
<b>At 1 January 2025</b>	<b>2,160,580</b>	<b>(1,552,086)</b>	<b>672,394</b>	<b>1,280,888</b>	<b>894,875</b>	<b>2,175,763</b>
<b>Total comprehensive loss for the financial year</b>	<b>-</b>	<b>(46,641)</b>	<b>(41,466)</b>	<b>(88,107)</b>	<b>(67,108)</b>	<b>(155,215)</b>
<b>Transactions with owners</b>						
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)
<b>At 31 December 2025</b>	<b>2,160,580</b>	<b>(1,596,888)</b>	<b>629,089</b>	<b>1,192,781</b>	<b>785,230</b>	<b>1,978,011</b>
<b>At 1 January 2024</b>	<b>2,160,580</b>	<b>(1,499,712)</b>	<b>774,485</b>	<b>1,435,353</b>	<b>982,171</b>	<b>2,417,524</b>
<b>Total comprehensive loss for the financial year</b>	<b>-</b>	<b>(52,437)</b>	<b>(102,028)</b>	<b>(154,465)</b>	<b>(72,895)</b>	<b>(227,360)</b>
<b>Transactions with owners</b>						
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)
<b>At 31 December 2024</b>	<b>2,160,580</b>	<b>(1,552,086)</b>	<b>672,394</b>	<b>1,280,888</b>	<b>894,875</b>	<b>2,175,763</b>

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

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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
<b>At 1 January 2025</b>	<b>2,160,580</b>	<b>2,905,831</b>	<b>(2,357,731)</b>	<b>2,708,680</b>
Total comprehensive loss for the financial year	-	-	(1,305)	(1,305)
<b>At 31 December 2025</b>	<b>2,160,580</b>	<b>2,905,831</b>	<b>(2,359,036)</b>	<b>2,707,375</b>
<b>At 1 January 2024</b>	<b>2,160,580</b>	<b>2,905,831</b>	<b>(2,365,965)</b>	<b>2,700,446</b>
Total comprehensive income for the financial year	-	-	8,234	8,234
<b>At 31 December 2024</b>	<b>2,160,580</b>	<b>2,905,831</b>	<b>(2,357,731)</b>	<b>2,708,680</b>

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
<b>Cash flows from operating activities</b>				
(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
<b>Cash flows from operating activities</b>				
<b>(cont'd.)</b>				
Operating profit/(loss) before working capital changes, brought forward	<b>826,894</b>	879,647	<b>(1,641)</b>	(1,681)
Changes in working capital:				
Inventories	<b>78,902</b>	6,562	-	-
Receivables	<b>(175,896)</b>	(156,537)	<b>(995)</b>	(5,797)
Payables	<b>(94,365)</b>	(49,377)	<b>98</b>	537
Cash flows generated from/ (used in) operations	<b>635,535</b>	680,295	<b>(2,538)</b>	(6,941)
Taxes paid	<b>(67,572)</b>	(100,750)	<b>(327)</b>	(308)
Interest paid	<b>(98,432)</b>	(127,533)	-	-
Interest received	<b>19,443</b>	24,977	<b>61</b>	95
Net cash flows generated from/ (used in) operating activities	<b>488,974</b>	476,989	<b>(2,804)</b>	(7,154)
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment (Note 11(iv))	<b>(53,124)</b>	(67,641)	-	-
Proceeds from disposal of property, plant and equipment	<b>75</b>	82	-	-
Proceeds from divestment of an associate	<b>1,745</b>	-	-	-
Proceeds from subleases	<b>52,918</b>	63,231	-	-
Dividends received from:				
- Associates	<b>6,045</b>	8,431	-	-
- A subsidiary	-	-	-	11,400
Changes in:				
- Investment securities	<b>(6,081)</b>	(5,607)	-	-
- Deposits with banks	<b>(8,150)</b>	3,499	-	-
Net cash flows (used in)/generated from investing activities	<b>(6,572)</b>	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
<b>Cash flows from financing activities</b>				
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	(509,350)	(497,494)	-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	(26,948)	(18,510)	(2,804)	4,246
Effects of changes in exchange rates	(66,223)	(73,974)	-	-
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>1,339,767</b>	<b>1,432,251</b>	<b>5,198</b>	<b>952</b>
<b>Cash and cash equivalents at end of the financial year (Note 23)</b>	<b>1,246,596</b>	<b>1,339,767</b>	<b>2,394</b>	<b>5,198</b>

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:

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
Retailing - China	<b>62,264</b>	<b>75,263</b>

**(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.

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

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

**(iv) Deferred tax assets (cont'd.)**

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

If the Group was able to recognise all unrecognised deferred tax assets, the profit or loss and the equity would have increased by 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:

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

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

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**4. Revenue (cont'd.)**

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

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

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
	<b>1,282,508</b>	<b>707,655</b>	<b>9,263</b>	<b>2,855</b>	<b>2,002,281</b>

**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
	<b>1,477,842</b>	<b>804,570</b>	<b>9,211</b>	<b>4,986</b>	<b>2,296,609</b>

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
	<b>1,477,842</b>	<b>804,570</b>	<b>9,211</b>	<b>4,986</b>	<b>2,296,609</b>

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

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

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**5. Other income**

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

- (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	<b>309,933</b>	334,231	<b>192</b>	195
Defined contribution plans	<b>35,729</b>	39,135	-	-
Other staff related expenses	<b>72,954</b>	64,448	<b>9</b>	9
	<b>418,616</b>	<b>437,814</b>	<b>201</b>	<b>204</b>

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).

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**7. Finance income/costs**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b><u>Finance income</u></b>				
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	-	-
	<b>30,923</b>	<b>37,522</b>	<b>61</b>	<b>95</b>
<b><u>Finance costs</u></b>				
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	-	-
	<b>300,940</b>	<b>340,348</b>	<b>-</b>	<b>-</b>

\* 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	-	-

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

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

	Group		Company	
	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)	-	-

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

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

	Group		Company	
	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	-	-
	<b>3,270</b>	<b>3,379</b>	<b>200</b>	<b>203</b>
Non-executive Directors:				
Fees	188	184	188	184
Other emoluments	44	43	44	43
	<b>232</b>	<b>227</b>	<b>232</b>	<b>227</b>
Total Directors' remuneration (Note 8(a))	<b>3,502</b>	<b>3,606</b>	<b>432</b>	<b>430</b>

- (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.

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**9. Income tax expense**

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

	Group		Company	
	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	-	-
	<b>70,920</b>	91,769	-	308
Under provision in prior years	908	5,306	143	-
	<b>71,828</b>	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)	-	-
	<b>(4,740)</b>	(42,100)	-	-
Total income tax expense	<b>67,088</b>	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.

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**9. Income tax expense (cont'd.)**

Reconciliation between tax expense and accounting (loss)/profit

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

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

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

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**10. Loss per share**

**(a) Basic**

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

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

**(b) Diluted**

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

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**11. Property, plant and equipment**

<b>Group</b>	<b>Buildings <sup>(i)</sup></b> <b>RM'000</b>	<b>Office equipment and vehicles</b> <b>RM'000</b>	<b>Furniture, fittings and other equipment</b> <b>RM'000</b>	<b>Renovations <sup>(ii)</sup></b> <b>RM'000</b>	<b>Capital work-in- progress <sup>(iii)</sup></b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>At 31 December 2025</b>						
<b>Cost</b>						
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
<b>Accumulated depreciation</b>						
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

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

<b>Group</b>	<b>Buildings <sup>(i)</sup></b> <b>RM'000</b>	<b>Office equipment and vehicles</b> <b>RM'000</b>	<b>Furniture, fittings and other equipment</b> <b>RM'000</b>	<b>Renovations <sup>(ii)</sup></b> <b>RM'000</b>	<b>Capital work-in- progress <sup>(iii)</sup></b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>At 31 December 2025 (cont'd.)</b>						
<b>Accumulated impairment loss</b>						
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
<b>Net carrying amount</b>						
At 31 December 2025	<b>969,439</b>	<b>1,549</b>	<b>38,699</b>	<b>127,728</b>	<b>361,225</b>	<b>1,498,640</b>

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

<b>Group</b>	<b>Buildings <sup>(i)</sup></b>	<b>Office equipment and vehicles</b>	<b>Furniture, fittings and other equipment</b>	<b>Renovations <sup>(ii)</sup></b>	<b>Capital work-in- progress <sup>(iii)</sup></b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 31 December 2024</b>						
<b>Cost</b>						
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)
<b>At 31 December 2024</b>	<b>1,463,606</b>	<b>13,140</b>	<b>392,312</b>	<b>1,219,888</b>	<b>496,280</b>	<b>3,585,226</b>
<b>Accumulated depreciation</b>						
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)
<b>At 31 December 2024</b>	<b>401,766</b>	<b>11,256</b>	<b>337,002</b>	<b>1,022,908</b>	<b>-</b>	<b>1,772,932</b>

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

<b>Group</b>	<b>Buildings <sup>(i)</sup></b> <b>RM'000</b>	<b>Office equipment and vehicles</b> <b>RM'000</b>	<b>Furniture, fittings and other equipment</b> <b>RM'000</b>	<b>Renovations <sup>(ii)</sup></b> <b>RM'000</b>	<b>Capital work-in- progress <sup>(iii)</sup></b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>At 31 December 2024 (cont'd.)</b>						
<b>Accumulated impairment loss</b>						
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
<b>Net carrying amount</b>						
At 31 December 2024	1,061,840	1,775	44,896	150,355	437,554	1,696,420

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

Company	Office equipment	
	2025 RM'000	2024 RM'000
<b>Cost</b>		
At beginning/end of the financial year	<u>10</u>	<u>10</u>
<b>Accumulated depreciation</b>		
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>
<b>Net carrying amount</b>		
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>	-	-

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**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:

	<b>2025</b>	<b>2024</b>
	%	%
<b>CGU</b>		
Malaysia	<b>8.5</b>	10.2
PRC	<b>12.0</b>	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.

## 12. Investment properties

Group	2025			2024		
	Completed investment properties <sup>(i)</sup> RM'000	IPUC <sup>(ii)</sup> RM'000	Total RM'000	Completed investment properties <sup>(i)</sup> RM'000	IPUC <sup>(ii)</sup> RM'000	Total RM'000
<b>Cost</b>						
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
<b>Accumulated depreciation</b>						
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

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**12. Investment properties (cont'd.)**

Group (cont'd.)	2025			2024		
	Completed investment properties <sup>(i)</sup> RM'000	IPUC <sup>(ii)</sup> RM'000	Total RM'000	Completed investment properties <sup>(i)</sup> RM'000	IPUC <sup>(ii)</sup> RM'000	Total RM'000
<b>Accumulated impairment loss</b>						
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
<b>Net carrying amount</b>						
At end of the financial year	293,800	133,495	427,295	323,283	153,245	476,528
<b>Fair value</b>						
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.

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**13. Leases**

**The Group as a lessee**

The Group has lease contracts for various items of leasehold land, retail and office premises, motor vehicles, furniture, fittings and other equipment used in its operations. These leases generally have the following lease terms:

Leasehold land	42 - 45 years
Retail and office premises	2 - 20 years
Motor vehicles	5 - 7 years
Furniture, fittings and other equipment	2 - 6 years

There are several lease contracts that include variable lease payments and extension options which are further discussed below.

Certain lease contracts have lease terms of 12 months or less and/or is individually of low value. The Group applies the recognition exemptions for short term leases and leases of low-value assets.

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

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

	Leasehold land RM'000	Retail and office premises RM'000	Furniture, fittings and other equipment RM'000	Total RM'000
<b>At 1 January 2025</b>	<b>192,897</b>	<b>1,915,369</b>	<b>1,029</b>	<b>2,109,295</b>
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)
<b>At 31 December 2025</b>	<b>174,912</b>	<b>1,869,213</b>	<b>-</b>	<b>2,044,125</b>

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## 13. Leases (cont'd.)

## The Group as a lessee (cont'd.)

## (a) Right-of-use assets (cont'd.)

The carrying amounts of the Group's right-of-use assets and the movements during the financial year are as follows: (cont'd.)

	Leasehold land RM'000	Retail and office premises RM'000	Motor vehicles RM'000	Furniture, fittings and other equipment RM'000	Total RM'000
<b>At 1 January 2024</b>	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)
<b>At 31 December 2024</b>	<b>192,897</b>	<b>1,915,369</b>	<b>-</b>	<b>1,029</b>	<b>2,109,295</b>

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:

	<b>2025</b>	<b>2024</b>
	%	%
<b>CGU</b>		
Malaysia	<b>8.5</b>	10.2
PRC	<b>12.0</b>	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:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Extension options expected not to be exercised</b>		
Within five years	146,471	110,436
More than five years	<b>226,809</b>	224,997
	<b><u>373,280</u></b>	<b><u>335,433</u></b>

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**14. Intangible assets**

<b>Group</b>	<b>Goodwill RM'000</b>	<b>Computer software RM'000</b>	<b>Club memberships RM'000</b>	<b>Brands RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>					
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	<b>1,472,074</b>	<b>11,928</b>	<b>387</b>	<b>48,346</b>	<b>1,532,735</b>
Exchange differences	<b>(68,011)</b>	<b>(634)</b>	<b>(1)</b>	<b>(3,816)</b>	<b>(72,462)</b>
At 31 December 2025	<b>1,404,063</b>	<b>11,294</b>	<b>386</b>	<b>44,530</b>	<b>1,460,273</b>
<b>Accumulated amortisation</b>					
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	-	<b>11,928</b>	<b>107</b>	<b>12,450</b>	<b>24,485</b>
Exchange differences	-	<b>(634)</b>	-	<b>(1,214)</b>	<b>(1,848)</b>
At 31 December 2025	-	<b>11,294</b>	<b>107</b>	<b>11,236</b>	<b>22,637</b>
<b>Accumulated impairment loss</b>					
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	<b>479,164</b>	-	<b>62</b>	<b>35,896</b>	<b>515,122</b>
Impairment loss	<b>62,264</b>	-	-	-	<b>62,264</b>
Exchange differences	<b>(20,062)</b>	-	-	<b>(2,602)</b>	<b>(22,664)</b>
At 31 December 2025	<b>521,366</b>	-	<b>62</b>	<b>33,294</b>	<b>554,722</b>
<b>Net carrying amount</b>					
At 31 December 2025	<b>882,697</b>	-	<b>217</b>	-	<b>882,914</b>
At 31 December 2024	992,910	-	218	-	993,128

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## 14. Intangible assets (cont'd.)

Company	Club memberships	
	2025 RM'000	2024 RM'000
<b>Cost</b>		
At beginning/end of the financial year	<u>135</u>	<u>135</u>
<b>Accumulated amortisation and impairment loss</b>		
At beginning/end of the financial year	<u>107</u>	<u>107</u>
<b>Net carrying amount</b>		
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
<b>Retailing</b>			
At 31 December 2025	<b>19,722</b>	<b>862,975</b>	<b>882,697</b>
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 %
<b>CGU</b>		
Malaysia	<b>8.5</b>	10.2
PRC	<b>12.0</b>	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.

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**15. Interests in subsidiaries**

	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares, at cost	<b>7,157,920</b>	7,157,920
Amount due from a subsidiary <sup>(i)</sup>	<b>95,361</b>	96,577
Share option granted to employees of subsidiaries	<b>21,183</b>	21,183
	<b>7,274,464</b>	7,275,680
Less: Accumulated impairment loss	<b>(4,568,830)</b>	(4,568,830)
	<b>2,705,634</b>	2,706,850
Accumulated impairment loss:		
At beginning/end of the financial year	<b>4,568,830</b>	4,568,830

- (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.

<b>Name</b>	<b>Country of incorporation/ principal place of business</b>	<b>Principal activities</b>	<b>% of ownership interest held by the Group *</b>		<b>% of ownership interest held by non-controlling interests *</b>	
			<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<u>Held by the Company (Parkson Holdings Berhad)</u>						
East Crest International Limited **	British Virgin Islands	Investment holding	<b>100</b>	100	-	-
Parkson Vietnam Investment Holdings Co Ltd **	British Virgin Islands	Investment holding	<b>100</b>	100	-	-
Parkson Properties Holdings Co Ltd **	British Virgin Islands	Investment holding	<b>100</b>	100	-	-

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**15. Interests in subsidiaries (cont'd.)**

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			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 <sup>f</sup>	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 <sup>f</sup>	British Virgin Islands	Investment holding	100	100	-	-
Serbadagang Holdings Sdn Bhd <sup>f</sup>	Malaysia	Ceased operation	100	100	-	-
Smart Spectrum Limited **	British Virgin Islands	Ceased operation	100	100	-	-
Parkson Retail Asia Limited ("PRA") <sup>f β</sup>	Singapore	Investment holding	68	68	32	32
Parkson Services Pte Ltd <sup>f</sup>	Singapore	Intellectual property holding	100	100	-	-
<u>Subsidiary of Parkson Vietnam Investment Holdings Co Ltd</u>						
Parkson TSN Holdings Co Ltd **	British Virgin Islands	Investment holding	100	100	-	-

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## 15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiary of Parkson Properties Holdings Co Ltd</u>						
Parkson Properties Hanoi Co Ltd **	British Virgin Islands	Dormant	<b>100</b>	100	-	-
<u>Subsidiaries of Prime Yield Holdings Limited</u>						
Dyna Puncak Sdn Bhd	Malaysia	Investment holding	<b>100</b>	100	-	-
Gema Binari Sdn Bhd	Malaysia	Investment holding	<b>100</b>	100	-	-
Prestasi Serimas Sdn Bhd	Malaysia	Ceased operation	<b>100</b>	100	-	-
<u>Subsidiary of PRG Corporation Limited</u>						
Parkson Retail Group Limited ("PRGL") + @	Cayman Islands	Investment holding	<b>54.6</b> */ <b>0.4</b>	54.6 */ 0.4	<b>45.0</b>	45.0
<u>Subsidiary of PRGL</u>						
Grand Parkson Retail Group Limited +	British Virgin Islands	Investment holding	<b>100</b>	100	-	-
<u>Subsidiaries of Grand Parkson Retail Group Limited</u>						
Leonemas International Limited **	British Virgin Islands	Investment holding	<b>100</b>	100	-	-
Malverest Trading International Limited **	British Virgin Islands	Investment holding	<b>100</b>	100	-	-

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**15. Interests in subsidiaries (cont'd.)**

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Grand Parkson Retail Group Limited (cont'd.)</u>						
Oroleon International Limited **	British Virgin Islands	Investment holding	<b>100</b>	100	-	-
Releomont (Hong Kong) Limited +	Hong Kong SAR	Investment holding	<b>100</b>	100	-	-
Exonbury Limited +	Hong Kong SAR	Investment holding	<b>100</b>	100	-	-
Parkson Investment Pte Ltd <sup>f</sup>	Singapore	Investment holding	<b>100</b>	100	-	-
Parkson Supplies Pte Ltd <sup>f</sup>	Singapore	Investment holding	<b>100</b>	100	-	-
Creation International Investment & Development Limited **	British Virgin Islands	Investment holding	<b>100</b>	100	-	-
Step Summit Limited +	Hong Kong SAR	Investment holding	<b>100</b>	100	-	-
Global Heights Investment Limited **	British Virgin Islands	Investment holding	<b>100</b>	100	-	-
Golden Village Group Limited **	British Virgin Islands	Investment holding	<b>100</b>	100	-	-

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## 15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			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 <sup>f</sup>	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 <sup>f</sup>	Singapore	Investment holding	100	100	-	-

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**15. Interests in subsidiaries (cont'd.)**

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Grand Parkson Retail Group Limited (cont'd.)</u>						
Wide Field International Limited +	Hong Kong SAR	Investment holding	<b>100</b>	100	-	-
Sea Coral Limited +	Hong Kong SAR	Investment holding	<b>100</b>	100	-	-
<u>Subsidiary of Leonemas International Limited</u>						
Leonemas (Hong Kong) Limited +	Hong Kong SAR	Investment holding	<b>100</b>	100	-	-
<u>Subsidiary of Leonemas (Hong Kong) Limited</u>						
Qingdao Lion Plaza Retail Management Co Ltd +	People's Republic of China	Property management	<b>100</b>	100	-	-
<u>Subsidiary of Malverest Trading International Limited</u>						
Malverest (Hong Kong) Limited +	Hong Kong SAR	Investment holding	<b>100</b>	100	-	-
<u>Subsidiary of Malverest (Hong Kong) Limited</u>						
Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	<b>100</b>	100	-	-

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**15. Interests in subsidiaries (cont'd.)**

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			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	<b>100</b>	100	-	-
Qingdao Parkson Shopping Plaza Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	<b>100</b>	100	-	-
Qingdao Parkson Beer City Property Management Co Ltd +	People's Republic of China	Property management	<b>100</b>	100	-	-
<u>Subsidiary of Oroleon International Limited</u>						
Oroleon (Hong Kong) Limited +	Hong Kong SAR	Investment holding	<b>100</b>	100	-	-
<u>Subsidiaries of Oroleon (Hong Kong) Limited</u>						
Parkson Credit Sdn Bhd ^	Malaysia	Provision of money lending and credit services	<b>100</b>	100	-	-
Parkson Retail Laos Holdings Sdn Bhd	Malaysia	Investment holding	<b>100</b>	100	-	-

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**15. Interests in subsidiaries (cont'd.)**

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			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	<b>100</b>	100	-	-
<u>Subsidiary of Releomont (Hong Kong) Limited</u>						
Anshan Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	<b>100</b>	100	-	-
<u>Subsidiaries of Exonbury Limited</u>						
Hong Kong Fen Chai Investment Limited +	Hong Kong SAR	Provision of consultancy services	<b>100</b>	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	<b>100</b>	100	-	-
Shanghai Lion Parkson Investment Consultant Co Ltd +	People's Republic of China	Provision of consultancy and management services	<b>100</b>	100	-	-
Parkson Investment Holdings Co Ltd +	People's Republic of China	Investment holding	<b>70</b> *2 <b>30</b>	70 *2 30	-	-

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**15. Interests in subsidiaries (cont'd.)**

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			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	<b>100</b>	100	-	-
Jiaxing Lion Retail Management Co Ltd +	People's Republic of China	Provision of consultancy and management services	<b>100</b>	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	<b>91</b> *3 <b>9</b>	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	<b>100</b>	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	<b>100</b>	100	-	-

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**15. Interests in subsidiaries (cont'd.)**

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			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	<b>100</b>	100	-	-
Lanzhou Parkson Retail Co Ltd +	People's Republic of China	Ceased operation	<b>49.5</b> *4 <b>30.3</b> *5 <b>20.2</b>	49.5 *4 30.3 *5 20.2	-	-
Zigong Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	<b>100</b>	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	<b>100</b>	100	-	-

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**15. Interests in subsidiaries (cont'd.)**

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			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	<b>80.6</b> *6 <b>19.4</b>	80.6 *6 19.4	-	-
Shanghai Shijie Fashions Co Ltd +	People's Republic of China	Sale of apparel	<b>60.7</b> *7 <b>35.7</b> *8 <b>3.6</b>	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	<b>100</b>	100	-	-
<u>Subsidiary of Parkson Investment Pte Ltd</u>						
Rosenblum Investments Pte Ltd <sup>f</sup> (Struck off on 6.2.2026)	Singapore	Investment holding	<b>100</b>	100	-	-
<u>Subsidiaries of Parkson Supplies Pte Ltd</u>						
Chongqing Wanyou Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	<b>100</b>	100	-	-
Mianyang Fulin Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	<b>60</b> *6 <b>40</b>	60 *6 40	-	-

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## 15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			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	<b>100</b>	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	<b>100</b>	-	-	-
<u>Subsidiary of Creation International Investment &amp; Development Limited</u>						
Creation (Hong Kong) Investment & Development Limited +	Hong Kong SAR	Provision of consultancy services	<b>100</b>	100	-	-
<u>Subsidiaries of Step Summit Limited</u>						
Guizhou Shenqi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	<b>60</b>	60	<b>40</b>	40
Shanghai Hongqiao Parkson Development Co Ltd +	People's Republic of China	Operation of department stores	<b>100</b>	100	-	-
Hefei Parkson Xiaoyao Plaza Co Ltd +	People's Republic of China	Operation of department stores	<b>100</b>	100	-	-

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**15. Interests in subsidiaries (cont'd.)**

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			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	<b>100</b>	100	-	-
Shanghai Delight Food & Beverage Management Co Ltd +	People's Republic of China	Food and beverage operation	<b>100</b>	100	-	-
Wenzhou Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	<b>100</b>	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	<b>51</b> *0 <b>49</b>	51 *0 49	-	-
Qingdao Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	<b>100</b>	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	<b>100</b>	100	-	-
<u>Subsidiary of Asia Victory International Limited</u>						
Shunhe International Investment Limited +	Hong Kong SAR	Provision of consultancy services	<b>100</b>	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	<b>100</b>	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	<b>90</b> <i>*10</i> <b>10</b>	90 <i>*10</i> 10	-	-
Liupanshui Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	<b>100</b>	100	-	-

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## 15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			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	<b>100</b>	100	-	-
Panzhuhua Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	<b>100</b>	100	-	-
Tianjin Parkson Shopping Mall Co Ltd +	People's Republic of China	Operation of department stores and property management	<b>60</b> *11 <b>20</b> *12 <b>20</b>	60 *11 20 *12 20	-	-
Parkson Business Commerce Sole Co Ltd **	Lao People's Democratic Republic	Operation of department stores	<b>100</b>	100	-	-
<u>Subsidiaries of Golden Village Group Limited</u>						
Duo Success Investments Limited **	British Virgin Islands	Investment holding	<b>100</b>	100	-	-
Jiangxi Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	<b>100</b>	100	-	-
Jiangxi Parkson Shopping Centre Management Co Ltd +	People's Republic of China	Property management	<b>100</b>	100	-	-

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**15. Interests in subsidiaries (cont'd.)**

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			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	<b>100</b>	100	-	-
Nanchang Parkson Shopping Centre Co Ltd +	People's Republic of China	Operation of shopping mall	<b>100</b>	100	-	-
<u>Subsidiary of Lung Shing International Investments &amp; Development Limited</u>						
Anshan Lung Shing Property Services Co Ltd +	People's Republic of China	Property management	<b>100</b>	100	-	-
<u>Subsidiary of Capital Park Development Limited</u>						
Capital Park (HK) Investment & Development Limited +	Hong Kong SAR	Investment holding	<b>100</b>	100	-	-
<u>Subsidiary of Capital Park (HK) Investment &amp; Development Limited</u>						
Wuxi Sanyang Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	<b>60</b>	60	<b>40</b>	40

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## 15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiary of Lion Food &amp; Beverage Ventures Limited</u>						
Parkson Food & Beverage Ventures Limited +	Hong Kong SAR	Investment holding	<b>100</b>	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	<b>70</b> <i>*13</i> <b>30</b>	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	<b>100</b>	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	<b>100</b>	100	-	-

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## 15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			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	<b>95.9</b>	95.9	<b>4.1</b>	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	<b>100</b>	100	-	-
<u>Subsidiaries of PRA</u>						
Parkson Corporation Sdn Bhd	Malaysia	Operation of department stores and related trading activities including e-commerce activities	<b>100</b>	100	-	-
Centro Retail Pte Ltd <sup>f</sup>	Singapore	Investment holding	<b>100</b>	100	-	-
PT Tozy Sentosa (In Bankruptcy)	Indonesia	Ceased operation	<b>90</b> <sup>*14</sup> <b>10</b>	90 <sup>*14</sup> 10	-	-
Parkson Myanmar Co Pte Ltd <sup>f</sup>	Singapore	Investment holding	<b>100</b>	100	-	-
Parkson Yangon Company Limited **	Myanmar	Dormant	<b>95</b> <sup>*15</sup> <b>5</b>	95 <sup>*15</sup> 5	-	-

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**15. Interests in subsidiaries (cont'd.)**

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Parkson Corporation Sdn Bhd</u>						
Parkson Vietnam Co Ltd <sup>&amp;</sup>	Vietnam	Ceased operation	<b>100</b>	100	-	-
Parkson Haiphong Co Ltd <sup>**</sup>	Vietnam	Dormant	<b>100</b>	100	-	-
Parkson Cambodia Holdings Co Ltd <sup>**</sup>	British Virgin Islands	Investment holding	<b>100</b>	100	-	-
Parkson SGN Co Ltd <sup>f</sup>	Vietnam	Dormant	<b>100</b>	100	-	-
Parkson Edutainment World Sdn Bhd	Malaysia	Dormant	<b>100</b>	100	-	-
Parkson Lifestyle Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	<b>100</b>	100	-	-
Parkson Unlimited Beauty Sdn Bhd (Dissolved on 12.2.2026)	Malaysia	Dormant	<b>100</b>	100	-	-
Parkson Private Label Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	<b>100</b>	100	-	-

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**15. Interests in subsidiaries (cont'd.)**

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiaries of Parkson Corporation Sdn Bhd (cont'd.)</u>						
Parkson Trading (Vietnam) Company Limited <sup>f</sup>	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 <sup>&amp;</sup>	Vietnam	Dormant	100	100	-	-
<u>Subsidiary of Parkson Cambodia Holdings Co Ltd</u>						
Parkson (Cambodia) Co Ltd <sup>**</sup>	Cambodia	Dormant	100	100	-	-
<u>Subsidiary of Parkson Myanmar Co Pte Ltd</u>						
Parkson Myanmar Investment Company Pte Ltd <sup>f</sup>	Singapore	Investment holding	70	70	30	30

**Parkson Holdings Berhad**  
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## 15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			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	-	-

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**15. Interests in subsidiaries (cont'd.)**

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *		% of ownership interest held by non-controlling interests *	
			2025	2024	2025	2024
<u>Subsidiary of Megan Mastika Sdn Bhd</u>						
Dimensi Andaman Sdn Bhd <sup>f</sup>	Malaysia	Investment holding, property development and project management	<b>100</b>	100	-	-
<u>Subsidiary of True Excel Investments Limited</u>						
True Excel Investments (Cambodia) Co Ltd **	Cambodia	Investment holding	<b>100</b>	100	-	-
<u>Subsidiary of Gema Binari Sdn Bhd</u>						
Parkson Branding Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	<b>100</b>	100	-	-
<u>Subsidiary of Prestasi Serimas Sdn Bhd</u>						
Ombrello Resources Sdn Bhd <sup>f</sup> (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.

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**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.
- <sup>β</sup> Listed on the Singapore Exchange Securities Trading Limited.
- <sup>@</sup> Listed on The Stock Exchange of Hong Kong Limited.
- <sup>#</sup> Subsidiary which was newly incorporated during the financial year.
- <sup>^</sup> 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.
- <sup>&</sup> 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.

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**15. Interests in subsidiaries (cont'd.)**

Impairment tests for interests in subsidiaries

Management has carried out impairment test review for interests in subsidiaries based on the recoverable amount of each CGU. The recoverable amount has been determined based on a VIU calculation using cash flow projections from financial budgets approved by directors covering a 5-year period. The pre-tax discount rates applied to the cash flow projections are as follows:

	<b>2025</b>	<b>2024</b>
	%	%
<b>CGU</b>		
Malaysia	<b>8.5</b>	10.2
PRC	<b>12.0</b>	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:**

<b>Name</b>	<b>Country of incorporation and operation</b>	<b>2025</b>	<b>2024</b>
		%	%
PRA	Singapore	<b>32.0</b>	32.0
PRGL	Cayman Islands	<b>45.0</b>	45.0

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

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## 15. Interests in subsidiaries (cont'd.)

## (a) Material non-controlling interests (cont'd.)

	Group	
	2025	2024
	RM'000	RM'000
<b>Accumulated net assets balances of non-controlling interests:</b>		
PRA	34,147	40,459
PRGL	751,083	854,416
Total	<u>785,230</u>	<u>894,875</u>
<b>Profit/(loss) allocated to non-controlling interests:</b>		
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>

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**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	<b>679,680</b>	731,499	<b>1,834,502</b>	2,051,060
Profit/(loss) for the financial year	<b>68,121</b>	82,146	<b>(114,515)</b>	(114,623)
Attributable to non-controlling interests	<b>22,420</b>	26,303	<b>(55,527)</b>	(51,464)
Dividends paid to non-controlling interests	<b>(28,501)</b>	-	<b>(14,036)</b>	(14,401)
(iii) <u>Summarised statements of other comprehensive income</u>				
Other comprehensive (loss)/income attributable to non-controlling interests:				
- Foreign currency translation	<b>(230)</b>	2,500	<b>(33,771)</b>	(50,234)
(iv) <u>Summarised statements of cash flows</u>				
Operating activities	<b>229,348</b>	251,154	<b>338,722</b>	346,890
Investing activities	<b>(15,745)</b>	(23,406)	<b>16,753</b>	12,852
Financing activities	<b>(244,198)</b>	(176,725)	<b>(362,942)</b>	(452,825)
Net (decrease)/increase in cash and cash equivalents	<b>(30,595)</b>	51,023	<b>(7,467)</b>	(93,083)

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**16. Investments in associates**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares in Malaysia, at cost	<b>10,987</b>	10,987
Unquoted shares outside Malaysia, at cost	<b>23,732</b>	24,412
Share of post-acquisition profits and other comprehensive income, net of dividends received	<b>6,377</b>	7,759
Less: Accumulated impairment loss	<b>(10,987)</b>	(10,987)
	<b>30,109</b>	32,171
Accumulated impairment loss:		
At beginning/end of the financial year	<b>10,987</b>	10,987

Details of associates are as follows:

<b>Name</b>	<b>Country of incorporation/ principal place of business</b>	<b>Principal activities</b>	<b>% of ownership interest held by the Group *</b>	
			<b>2025</b>	<b>2024</b>
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	<b>42</b>	42
Parkson Newcore Retail Shanghai Ltd ("Parkson Newcore") #	People's Republic of China	Operation of outlet stores	<b>49</b>	49
Habitat Blue Sdn Bhd &	Malaysia	Ceased operation	<b>40</b>	40

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**16. Investments in associates (cont'd.)**

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

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**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.

	<b>RM'000</b>
<b>2025</b>	
(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>

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**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.

	<b>Parkson Newcore RM'000</b>	<b>Shanghai Nine Sea RM'000</b>	<b>Total material associates RM'000</b>
<b>2024</b>			
<b>(i) <u>Summarised statements of financial position</u></b>			
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>
<b>(ii) <u>Summarised statements of profit or loss</u></b>			
Revenue	504,900	19,044	523,944
Profit for the financial year	<u>17,849</u>	<u>1,274</u>	<u>19,123</u>
<b>(iii) Dividend received from associates</b>	<u>(8,291)</u>	<u>(140)</u>	<u>(8,431)</u>
<b>(iv) Group's share of net assets, representing carrying amount of Group's interest in associates</b>	<u>30,329</u>	<u>1,842</u>	<u>32,171</u>
<b>(v) Group's share of results of associates</b>	<u>8,746</u>	<u>446</u>	<u>9,192</u>

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**16. Investments in associates (cont'd.)**

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

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit/loss for the financial year	-	-
Group's cumulative share of unrecognised loss	<b>(2,134)</b>	<b>(2,254)</b>

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**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares outside Malaysia, at cost	-	**
Less: Accumulated impairment loss	-	**
	-	**

\*\* Represent RM3

Details of joint ventures are as follows:

<b>Name</b>	<b>Country of incorporation/ principal place of business</b>	<b>Principal activities</b>	<b>% of ownership interest held by the Group *</b>	
			<b>2025</b>	<b>2024</b>
Marlow House Asia Limited (Struck off on 1.5.2025)	British Virgin Islands	Dormant	-	50

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

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

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group *	
			2025	2024
Watatime group of companies <sup>(i)</sup> :				
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.

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**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:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
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.

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**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
<b>At 1 January 2025</b>	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)
<b>At 31 December 2025</b>	<u>7,755</u>	<u>31,320</u>	<u>125,716</u>	<u>12,191</u>	<u>176,982</u>
<b>At 1 January 2024</b>	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)
<b>At 31 December 2024</b>	<u>4,477</u>	<u>45,560</u>	<u>127,580</u>	<u>9,034</u>	<u>186,651</u>

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

## Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Asset revaluation RM'000	Right-of- use assets RM'000	Withholding taxes RM'000	Total RM'000
<b>At 1 January 2025</b>	-	(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
<b>At 31 December 2025</b>	-	(86,612)	(4,712)	(6,064)	(97,388)
<b>At 1 January 2024</b>	(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
<b>At 31 December 2024</b>	-	(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
	<b>1,182,991</b>	<b>1,071,200</b>
Deferred tax at respective jurisdiction's applicable tax rate, if recognised	<b>293,600</b>	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.

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

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate of 5% may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

Effective from year of assessment 2019, the unused tax losses of Malaysian entities as at 31 December 2018 and thereafter will only be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unabsorbed losses will be disregarded.

**19. Amounts due from subsidiaries**

	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
Amounts due from subsidiaries	409	809
Less: Allowance for expected credit loss ("ECL")	(409)	(809)
	<u>-</u>	<u>-</u>
<b>Current</b>		
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.

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**20. Trade and other receivables**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>				
<b>Trade receivables <sup>(i)</sup></b>				
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>
<b>Current</b>				
<b>Trade receivables <sup>(i)</sup></b>				
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>
<b>Other receivables</b>				
Sundry receivables <sup>(ii)</sup>	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 <sup>(iii)</sup>	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>

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**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:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Within 1 year	<b>266,388</b>	231,290
1 to 2 years	<b>216,838</b>	169,790
Over 2 years	<b>268,939</b>	245,360
	<b><u>752,165</u></b>	<u>646,440</u>

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

Trade receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

Receivables that are past due but not impaired are unsecured in nature. Management is confident that these receivables are recoverable as these accounts are still active.

Trade receivables that are impaired

The Group uses general approach in performing impairment analysis for loan receivables at each reporting date. Under the general approach, impairment analysis is performed based on 3 stages to measure ECLs. The Group, on the other hand, applies a simplified approach in calculating ECLs for other trade receivables.

Set out below is the information about the credit risk exposure on the Group's trade receivables as at 31 December 2025 and 31 December 2024:

	←—— Credit services      ———→			Others	Total RM'000
	12-month ECLs	←—— Lifetime ECLs      ———→		Simplified	
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	approach RM'000	
<b>At 1 January 2024</b>	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)
<b>At 31 December 2024 and 1 January 2025</b>	<b>339</b>	<b>3,088</b>	<b>7,061</b>	<b>1,162</b>	<b>11,650</b>
Charge for the financial year	<b>240</b>	<b>2,379</b>	<b>46,900</b>	-	<b>49,519</b>
Reversal of impairment loss	-	-	-	(26)	(26)
Written off	-	-	(38,837)	-	(38,837)
Exchange differences	(40)	(363)	(1,191)	(5)	(1,599)
<b>At 31 December 2025</b>	<b>539</b>	<b>5,104</b>	<b>13,933</b>	<b>1,131</b>	<b>20,707</b>

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

Other receivables that are impaired

The other receivables that are impaired at the reporting date are principally on delinquent accounts and the movement of allowance for ECL used to record the impairment losses are as follows:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Sundry receivables - nominal amounts	<b>15,001</b>	18,485
Less: Allowance for ECL	<b>(15,001)</b>	(18,485)
	<b>-</b>	<b>-</b>
Prepayments - nominal amounts	<b>11,393</b>	12,073
Less: Allowance for ECL	<b>(11,393)</b>	(12,073)
	<b>-</b>	<b>-</b>
Deposits - nominal amounts	<b>45,911</b>	34,414
Less: Allowance for ECL	<b>(45,911)</b>	(34,414)
	<b>-</b>	<b>-</b>
Amount due from a joint venture - nominal amounts	-	1,000
Less: Allowance for ECL	-	(1,000)
	<b>-</b>	<b>-</b>
Amounts due from related parties - nominal amounts	<b>113</b>	113
Less: Allowance for ECL	<b>(113)</b>	(113)
	<b>-</b>	<b>-</b>
	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Amounts due from related parties - nominal amounts	<b>113</b>	113
Less: Allowance for ECL	<b>(113)</b>	(113)
	<b>-</b>	<b>-</b>

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

Movement in allowance for ECL:

<b>Group</b>	<b>Trade receivables RM'000</b>	<b>Sundry receivables RM'000</b>	<b>Prepayments RM'000</b>	<b>Deposits RM'000</b>	<b>Amounts due from joint ventures RM'000</b>	<b>Amounts due from related parties RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2024</b>	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)
<b>At 31 December 2024 and 1 January 2025</b>	<b>11,650</b>	<b>18,485</b>	<b>12,073</b>	<b>34,414</b>	<b>1,000</b>	<b>113</b>	<b>77,735</b>
Charge for the financial year	<b>49,519</b>	<b>1,684</b>	-	<b>14,594</b>	-	-	<b>65,797</b>
Reversal of impairment loss	<b>(26)</b>	-	-	-	<b>(1,000)</b>	-	<b>(1,026)</b>
Written off	<b>(38,837)</b>	<b>(4,082)</b>	-	-	-	-	<b>(42,919)</b>
Exchange differences	<b>(1,599)</b>	<b>(1,086)</b>	<b>(680)</b>	<b>(3,097)</b>	-	-	<b>(6,462)</b>
<b>At 31 December 2025</b>	<b>20,707</b>	<b>15,001</b>	<b>11,393</b>	<b>45,911</b>	-	<b>113</b>	<b>93,125</b>

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**21. Other receivables**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
Lease receivables from subleases <sup>(i)</sup>	11,307	36,467
Lease deposits	18,964	21,609
Other deposit <sup>(ii)</sup>	60,392	66,598
	<u>90,663</u>	<u>124,674</u>
Less: Allowance for ECL	<u>(66,792)</u>	<u>(73,913)</u>
	<b><u>23,871</u></b>	<b><u>50,761</u></b>
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	<b><u>66,792</u></b>	<b><u>73,913</u></b>

- (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:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
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	<b><u>42,662</u></b>	<b><u>93,731</u></b>
Disclosed as:		
Current (Note 20)	31,355	57,264
Non-current	<u>11,307</u>	<u>36,467</u>
	<b><u>42,662</u></b>	<b><u>93,731</u></b>

- (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.

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**22. Investment securities**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
Financial assets at fair value through other comprehensive income ("FVOCI"):		
- Unquoted equity securities <sup>(i)</sup>	<u>1,570</u>	<u>1,573</u>
<b>Current</b>		
Financial assets at fair value through profit or loss ("FVPL"):		
- Wealth management products <sup>(ii)</sup>	<u>44,793</u>	<u>40,885</u>
<b>Total investment securities</b>	<b><u>46,363</u></b>	<b><u>42,458</u></b>

(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:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
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**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
Time deposits, representing total non-current deposits, cash and bank balances	<u>14,107</u>	<u>16,064</u>

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Current</b>				
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	<b>1,293,316</b>	1,379,026	<b>2,394</b>	5,198
Deposits, cash and bank balances (as above)				
- Non-current	14,107	16,064	-	-
- Current	<b>1,293,316</b>	1,379,026	<b>2,394</b>	5,198
Total deposits, cash and bank balances	<b>1,307,423</b>	1,395,090	<b>2,394</b>	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	<b>1,246,596</b>	1,339,767	<b>2,394</b>	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.

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

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

	Group	
	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
<b>At costs:</b>		
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
<b>Issued share capital:</b>				
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.

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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)

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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)
<b>Other comprehensive (loss)/ income for the financial year</b>							
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)
<b>Transactions with owners</b>							
Transfer to capital reserves, representing total transactions with owners	-	-	63	-	-	-	63
<b>At 31 December 2024</b>	<b>335,045</b>	<b>84,735</b>	<b>102,637</b>	<b>(2,071,102)</b>	<b>(3,843)</b>	<b>442</b>	<b>(1,552,086)</b>

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**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.

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**27. Loans and borrowings**

	Group	
	2025	2024
	RM'000	RM'000
<b>Current</b>		
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>
<b>Non-current</b>		
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>
<b>Total loans and borrowings</b>		
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>

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**27. Loans and borrowings (cont'd.)**

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

	At 1.1.2025 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
<b>Total</b>	<b>1,827,455</b>	<b>179,782</b>	<b>(146,181)</b>	<b>(82,903)</b>	<b>1,778,153</b>

	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
<b>Total</b>	<b>1,739,214</b>	<b>1,783,604</b>	<b>(1,662,785)</b>	<b>(32,578)</b>	<b>1,827,455</b>

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**27. Loans and borrowings (cont'd.)**

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

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	%	%
Bank loans	<b>3.0</b>	3.1
Sukuk	<b>5.8</b>	6.2
Revolving financing	<b>3.7</b>	6.6
Bankers' acceptance	<b>4.2</b>	4.5
Lenders from non-financial institutions	<b>13.3</b>	14.3
Bank overdrafts	<b>-</b>	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.

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**28. Long term payables**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Rental deposits	<b>1,408</b>	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**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Non-current	<b>18,112</b>	19,988
Current	<b>6,641</b>	5,658
Total	<b>24,753</b>	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:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial year	<b>25,646</b>	24,674
Arose during the financial year (Note 11(iv))	<b>47</b>	427
Reversed during the financial year	<b>(1,558)</b>	(265)
Unwinding of discount (Note 7)	<b>829</b>	733
Exchange differences	<b>(211)</b>	77
At end of the financial year	<b>24,753</b>	25,646

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**30. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>				
Trade and other payables:				
Trade payables <sup>(i)</sup>	<b>554,230</b>	672,623	-	-
Other payables <sup>(ii)</sup>	<b>230,213</b>	245,500	-	-
Deposits	<b>102,031</b>	106,439	-	-
Accruals	<b>88,036</b>	98,255	<b>1,162</b>	1,167
Total trade and other payables	<b>974,510</b>	1,122,817	<b>1,162</b>	1,167
Add:				
Loans and borrowings (Note 27)	<b>1,778,153</b>	1,827,646	-	-
Rental deposits (Note 28)	<b>1,408</b>	1,636	-	-
Amounts due to subsidiaries	-	-	<b>2,578</b>	2,475
Total financial liabilities carried at amortised cost	<b>2,754,071</b>	2,952,099	<b>3,740</b>	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.

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**31. Contract liabilities**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Deferred revenue from:		
Gift cards/vouchers sold <sup>(i)</sup>	<b>325,547</b>	379,401
Customer loyalty award <sup>(ii)</sup>	<b>11,079</b>	12,239
	<b><u>336,626</u></b>	<u>391,640</u>

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

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial year	<b>379,401</b>	405,623
Arose during the financial year	<b>336,420</b>	393,668
Revenue recognised during the financial year	<b>(369,727)</b>	(399,196)
Lapsed amounts reversed	<b>(1,205)</b>	(1,058)
Exchange differences	<b>(19,342)</b>	(19,636)
At end of the financial year	<b><u>325,547</u></b>	<u>379,401</u>

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

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial year	<b>12,239</b>	13,584
Arose during the financial year	<b>12,624</b>	14,293
Revenue recognised during the financial year	<b>(13,343)</b>	(15,202)
Exchange differences	<b>(441)</b>	(436)
At end of the financial year	<b><u>11,079</u></b>	<u>12,239</u>

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

**32. Amounts due to subsidiaries**

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

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**33. Significant related party disclosures**

<b>Related parties</b>	<b>Relationship</b>
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:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchases of goods and services from:		
- BonusKad Loyalty Sdn Bhd	<b>5,008</b>	5,346
- Lion Group Management Services Sdn Bhd	<b>531</b>	531
- Posim Marketing Sdn Bhd	<b>675</b>	674
- Secom (Malaysia) Sdn Bhd	<b>737</b>	756
- Brands Pro Management Sdn Bhd	<b>268</b>	320
Rental of office and/or warehouse space from:		
- Visionwell Sdn Bhd	<b>763</b>	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.

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**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 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Short term employee benefits	6,895	7,003	200	203
Pension costs				
- Defined contribution plans	198	182	-	-
	<b>7,093</b>	<b>7,185</b>	<b>200</b>	<b>203</b>

**34. Commitments**

**Capital commitments**

Capital expenditure at the reporting date is as follows:

	Group	
	2025 RM'000	2024 RM'000
Purchase of property, plant and equipment:		
Approved and contracted for	<b>4,658</b>	<b>314</b>

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**35. Fair value**

**(a) Fair value measurement**

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

	<b>Level 3</b>
	<b>RM'000</b>
<b>2025</b>	
Investment properties (Note 12):	
Completed investment properties	<b>1,857,600</b>
IPUC	<b>133,500</b>
Investment securities (Note 22):	
Financial assets at FVOCI	
- Unquoted equity securities	<b>1,570</b>
Financial assets at FVPL	
- Wealth management products	<b>44,793</b>
	<hr/>
<b>2024</b>	
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	<b>40,885</b>
	<hr/>

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**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:

	<b>Note</b>
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.

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**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	
<b>Deposits, cash and bank balances</b>				
<b>2025</b>				
Ringgit Malaysia	10,091	4,258	32	14,381
Chinese Renminbi	-	5,722	-	5,722
	<b>10,091</b>	<b>9,980</b>	<b>32</b>	<b>20,103</b>
<b>2024</b>				
Ringgit Malaysia	281	12,855	66	13,202
Chinese Renminbi	16,480	1,530	-	18,010
Singapore Dollar	1,907	-	-	1,907
	<b>18,668</b>	<b>14,385</b>	<b>66</b>	<b>33,119</b>

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.

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**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
<b>Financial liabilities:</b>				
<b>Group</b>				
<b>2025</b>				
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
<b>Total undiscounted financial liabilities</b>	<b>1,764,211</b>	<b>2,987,660</b>	<b>1,858,290</b>	<b>6,610,161</b>

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**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
<b>Financial liabilities:</b>				
<b>Group (cont'd.)</b>				
<b>2024</b>				
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
<b>Total undiscounted financial liabilities</b>	<b>2,083,232</b>	<b>3,195,556</b>	<b>1,716,881</b>	<b>6,995,669</b>
<b>Company</b>				
<b>2025</b>				
Trade and other payables	<b>1,162</b>	-	-	<b>1,162</b>
Amounts due to subsidiaries	<b>2,578</b>	-	-	<b>2,578</b>
<b>Total undiscounted financial liabilities</b>	<b>3,740</b>	-	-	<b>3,740</b>
<b>2024</b>				
Trade and other payables	1,167	-	-	1,167
Amounts due to subsidiaries	2,475	-	-	2,475
<b>Total undiscounted financial liabilities</b>	<b>3,642</b>	-	-	<b>3,642</b>

**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.

### **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.

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**37. Segmental information (cont'd.)**

The Group's segmental information is as follows:

2025	← Retailing →		Others RM'000	Total RM'000
	Malaysia RM'000	PRC RM'000		
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>

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**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>

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**37. Segmental information (cont'd.)**

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

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	<b>580,928</b>	676,251
PRC	<b>4,302,151</b>	4,631,287
Others	<b>4</b>	4
	<b><u>4,883,083</u></b>	<b><u>5,307,542</u></b>

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.

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**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))	<b>2,522,427</b>	2,647,811	-	-
Loans and borrowings (Note 27)	<b>1,778,153</b>	1,827,646	-	-
Less: Deposits, cash and bank balances (Note 23)	<b>(1,307,423)</b>	(1,395,090)	<b>(2,394)</b>	(5,198)
Investment securities - current (Note 22)	<b>(44,793)</b>	(40,885)	-	-
Net debt/(cash) (A)	<b>2,948,364</b>	3,039,482	<b>(2,394)</b>	(5,198)
Total equity, representing total capital	<b>1,978,011</b>	2,175,763	<b>2,707,375</b>	2,708,680
Capital and net debt (B)	<b>4,926,375</b>	5,215,245	<b>2,704,981</b>	2,703,482
Gearing ratio (A/B)	<b>60%</b>	58%	*	*

\* 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.