



PARKSON 百盛
PARKSON RETAIL ASIA LIMITED



ANNUAL REPORT 2024

CONTENTS

Corporate Profile	1
Corporate Information	2
Chairman's Statement	3
Financial Highlights	5
Management Discussion and Analysis	6
Board of Directors	10
Key Management	12
Corporate Social Responsibility (CSR)	14
Financial Contents	16

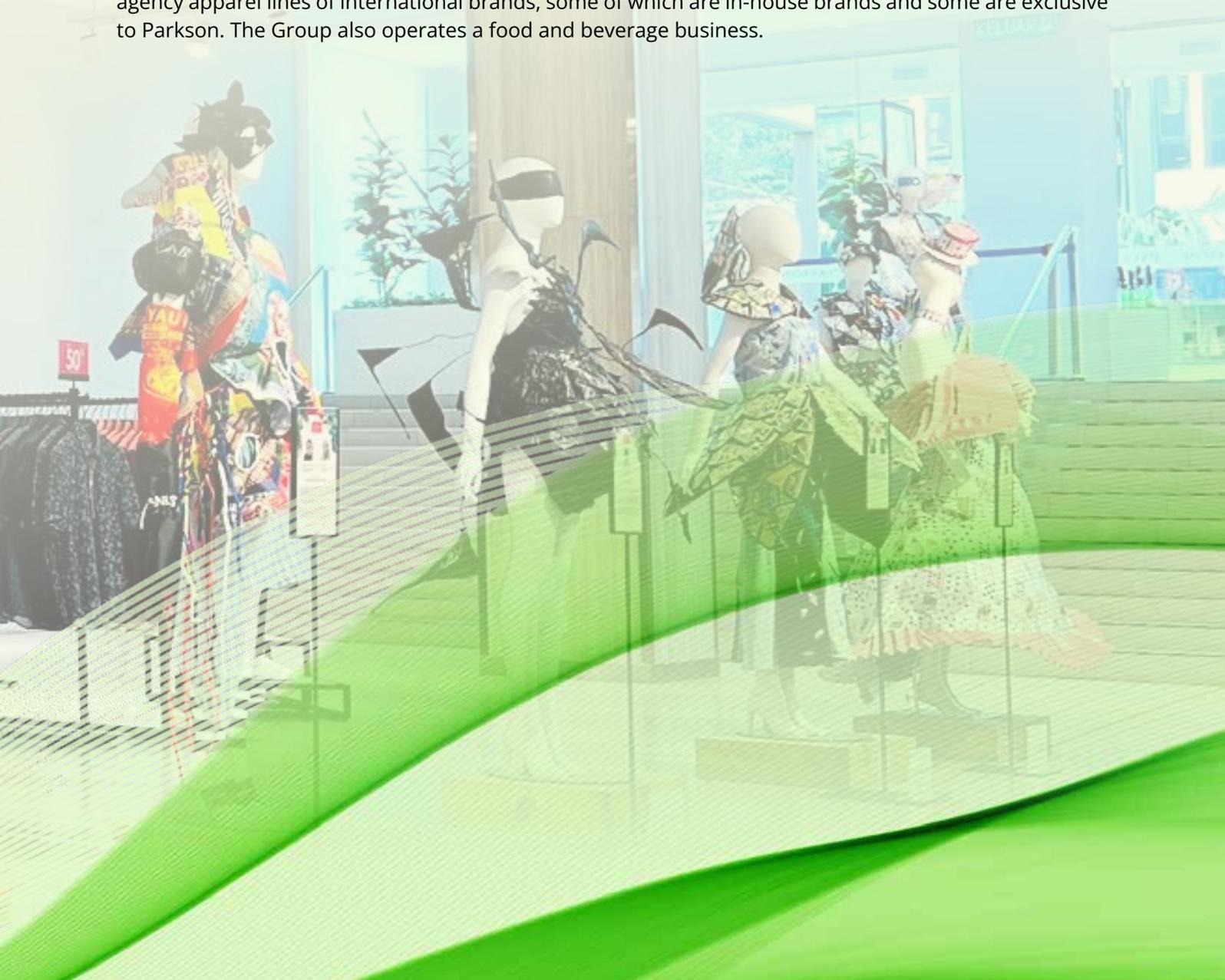


CORPORATE PROFILE

ABOUT PARKSON RETAIL ASIA LIMITED

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 3 November 2011, Parkson Retail Asia Limited (“Parkson”, and together with its subsidiaries, the “Group”) is a prominent Malaysian department store retailer with an extensive network of 37 department stores across cities in Malaysia as at 26 March 2025.

Established in 1987, Parkson always seeks to refresh and enhance its offerings to cater for varying needs and preferences of its customers, which in turn delivers value for its shareholders. The Group continues to operate predominantly on a blend of concessionaire sales model and anchor tenant in major shopping malls in Malaysia. At the same time, in meeting the demands of the young, fashion-conscious and contemporary market, the Group has also launched its private label brands as well as agency apparel lines of international brands, some of which are in-house brands and some are exclusive to Parkson. The Group also operates a food and beverage business.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Cheng Heng Jem (*Executive Chairman*)
Cheng Hui Yuen, Vivien (*Executive Director*)
Michael Chai Woon Chew (*Lead Independent Director*)
Datuk Koong Lin Loong (*Independent Director*)
Sam Chong Keen (*Independent Director*)

AUDIT COMMITTEE

Chairman
Michael Chai Woon Chew
Members
Datuk Koong Lin Loong
Sam Chong Keen

NOMINATING COMMITTEE

Chairman
Michael Chai Woon Chew
Members
Datuk Koong Lin Loong
Tan Sri Cheng Heng Jem

REMUNERATION COMMITTEE

Chairman
Datuk Koong Lin Loong
Members
Michael Chai Woon Chew
Sam Chong Keen

COMPANY SECRETARIES

Lin Moi Heyang (*Appointed on 28 June 2024*)
Tang Pei Chan (*Appointed on 28 June 2024*)
Cheok Hui Yee (*Resigned on 28 June 2024*)
Kong Wei Fung (*Resigned on 28 June 2024*)

REGISTERED OFFICE

9 Raffles Place
#26-01 Republic Plaza
Singapore 048619
Tel: (65) 6236 3333

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

B.A.C.S Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

AUDITORS

Foo Kon Tan LLP
1 Raffles Place
One Raffles Place Tower 2 #04-61/62
Singapore 048616
Partner in-charge: Teo Soo Chuen
(*With effect from the financial year ended 31 December 2022*)

PRINCIPAL BANKERS

United Overseas Bank
Malayan Bank Berhad
CIMB Bank Berhad
HSBC Bank Malaysia Berhad

WEBSITE

www.parkson.com.sg



CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present the Annual Report of Parkson Retail Asia Limited for the financial year ended 31 December 2024 ("FY2024").

In 2024, the retail industry in Malaysia recorded a less-than-expected growth rate of 3.8% compared to the GDP growth of 5.1%. Since the bullish first quarter retail sales growth of 7.8%, subsequent quarters' retail sales have been subdued hovering at between 0.6% to 3.5%.

The departmental store sector's sales growth was flat, with Parkson Malaysia's same store sales growth for the year being flat too, in tandem with the industry's performance.

The retail industry in Malaysia continues to face challenges amidst higher cost of living due to inflation, rationalisation of subsidies on essential goods and potential tariffs hike on electricity and petrol in 2025. Rental and salaries continue to rise every year with the minimum wage increase from RM1,500 to RM1,700 coming into force in February 2025.

Post Covid-19 tourism was very buoyant with higher influx of tourists but it did not contribute to retail merchandise sales as the younger generation tourists today spend mainly on eco-tourism and patronise Malaysia's food paradise.

For FY2024, the Group recorded gross sales proceeds of S\$520.4 million (year ended 31 December 2023 ("FY2023"): S\$535.7 million), revenue of S\$214.8 million (FY2023: S\$221.6 million) and profit before tax of S\$35.4 million (FY2023: S\$40.8 million). The weaker performance is mainly attributable to the lower store count during the year as well as the weakened spending power of consumers.



There was no opening or closure of stores during the year. The total number of stores as at 31 December 2024 stood at 37.

Store Assessment

We continue to take pro-active measures in monitoring and assessing the viability of our stores and business ventures. We are also continuously looking into opportunities for new store openings.

Outlook

Taking cognizance of the performance in FY2024, the management remains fully committed to improve the operations and financial performance of the Group in the coming years through its strategies on enhancing product offerings, improving gross margins, optimising operational efficiency and productivity, carrying out tactical promotional activities as well as managing costs effectively. The Group will maintain a strong focus on its Parkson department store business while expanding its lifestyle retail concept business. The Group will continue to pursue opportunities for new store openings, refurbish aged stores to keep up with the evolving market trends and regularly review its store size to ensure optimal store productivity and operational efficiency.

CHAIRMAN'S STATEMENT

Inflationary pressures, rising cost of living and shifting consumer spending habits continue to pose challenges to the Group's operations and financial performance for the financial year ending 31 December 2025. The Group will continue to navigate these challenges cautiously and focus on improving and sustaining its performance in this fluid and ever changing environment.

Acknowledgement

On behalf of the Board, I would like to extend our sincere gratitude to our management team, employees, customers, shareholders, suppliers, business associates and all stakeholders for

their continued and unwavering support. Your confidence in the Group, particularly during the challenging times of recent years, has been invaluable.

Finally, I would like to express my heartfelt gratitude and appreciation to my fellow Board members for their continued service and contribution to the Group.

Tan Sri Cheng Heng Jem

Executive Chairman

Singapore
26 March 2025



FINANCIAL HIGHLIGHTS

	FY2020	FY2021	FY2022	FY2023	FY2024
	(18 months)				
	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Consolidated Income Statement					
Gross sales proceeds ⁽¹⁾	633,797	686,515	589,073	535,749	520,446
Revenue	269,330	248,411	230,838	221,584	214,812
Earnings before interest, depreciation, amortisation and tax	20,744	131,392	104,128	89,256	87,566
Net (loss)/profit after tax	(84,995)	13,744	28,746	25,190	24,118
Net (loss)/profit attributable to owners of the Company	(84,928)	13,730	28,755	25,197	24,123
Basic and diluted (loss)/profit per share (cent)	(12.60)	2.04	4.27	3.74	3.58
Consolidated Statement of Financial Position					
Total assets	443,447	349,708	354,670	295,108	324,439
Total liabilities	509,407	398,965	371,671	284,463	285,802
Total equity	(65,960)	(49,257)	(17,001)	10,645	38,637

Note

1. Gross sales proceeds comprise merchandise sales (direct and concessionaire sales), consultancy and management service fee, income from rental of retail space and other operations such as food and beverages' revenue.



MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2024, the Group's department store network comprised 37 (31 December 2023: 37) stores spanning approximately 409,000 sqm of Gross Floor Area.

FINANCIAL RESULTS

	Group				Group		
	31.12.2024	31.12.2023	+ / (-)		31.12.2024	31.12.2023	+ / (-)
	S\$'000	S\$'000	%		S\$'000	S\$'000	%
Continuing operations				Net profit/(loss) attributable to:			
Revenue	214,812	221,584	(3.1)	Owners of the Company			
Other items of income				Profit from continuing operations, net of tax	24,124	29,576	(18.4)
- Finance income	3,783	3,182	18.9	Loss from discontinued operations, net of tax	(1)	(4,379)	(100)
- Other income	5,491	3,938	39.4	Non-controlling interest			
Items of expense				Loss from continuing operations, net of tax	(5)	(7)	(28.6)
- Changes in merchandise inventories and consumables	(68,344)	(71,817)	(4.8)		24,118	25,190	(4.3)
- Employee related expense	(37,346)	(35,783)	4.4				
- Depreciation of right-of-use assets	(37,506)	(32,800)	14.3				
- Depreciation and amortisation expense	(6,515)	(6,292)	3.5				
- Promotional and advertising expense	(1,340)	(1,029)	30.2				
- Operating lease expense	(5,203)	(7,165)	(27.4)				
- Interest expense on lease liabilities	(11,609)	(12,151)	(4.5)				
- Finance costs	(273)	(378)	(27.8)				
- Other expenses	(20,504)	(20,472)	0.2				
Total expenses	(188,640)	(187,887)	0.4				
Profit before tax	35,446	40,817	(13.2)				
Income tax expense	(11,327)	(11,248)	0.7				
Profit after tax	24,119	29,569	(18.4)				
Discontinued operations							
Loss after tax	(1)	(4,379)	(100)				
Net profit for the year	24,118	25,190	(4.3)				
				GSP			
				Sales of goods - direct sales	94,733	104,113	(9.0)
				Sales of goods - concessionaire sales	420,739	427,349	(1.5)
				Total merchandise sales	515,472	531,462	(3.0)
				Consultancy / management service fees	480	446	7.6
				Rental income	1,789	1,604	11.5
				Food and beverage	2,705	2,237	20.9
				GSP from continuing operations	520,446	535,749	(2.9)

CONTINUING OPERATIONS' REVIEW

The components of Gross Sales Proceeds ("GSP") are as follows: -

	Group		
	31.12.2024	31.12.2023	+ / (-)
	S\$'000	S\$'000	%
GSP			
Sales of goods - direct sales	94,733	104,113	(9.0)
Sales of goods - concessionaire sales	420,739	427,349	(1.5)
Total merchandise sales	515,472	531,462	(3.0)
Consultancy / management service fees	480	446	7.6
Rental income	1,789	1,604	11.5
Food and beverage	2,705	2,237	20.9
GSP from continuing operations	520,446	535,749	(2.9)

MANAGEMENT DISCUSSION AND ANALYSIS

The y-o-y decrease in total merchandise sales by 3.0% was mainly due to the closure of two stores in the corresponding period. Merchandise sales mix remained largely concessionaire at 81.6% (2023: 80.4%) while contribution from direct sales was 18.4% (2023: 19.6%).

Rental income increased y-o-y by 11.5% mainly due to higher rental rate and additional temporary rental income. Food and beverage operations registered a y-o-y increase in sales by 20.9%, largely due to the halal certification obtained during the year which enabled higher supply of breads to other businesses.

Merchandise gross profit margin stood at 27.8% (2023: 27.7%).

Other items of income

Finance income increased y-o-y by 18.9% due mainly to increase in interest income from bank deposits.

Other income increased y-o-y by 39.4% mainly due to reversal of impairment of right-of-use assets and property, plant and equipment.

Expenses

Total expenses of the Group increased y-o-y by 0.4% with analysis of major expenses as follows:

Depreciation of right-of-use assets

Depreciation of right-of-use assets increased y-o-y by 14.3% due primarily to the conversion of some short term leases to right-of-use assets.

Operating lease expenses

Operating lease expenses decreased y-o-y by 27.4% mainly due to the conversion of some short term leases to right-of-use assets.



MANAGEMENT DISCUSSION AND ANALYSIS

Other expenses

Other expenses for the current year comprised mainly (a) selling and distribution expenses amounting to S\$4.7 million; (b) general and administrative expenses which amounted to S\$7.7 million; and (c) other operating expenses of S\$8.1 million.

Profit before tax

The Group recorded a lower profit before tax of S\$35.4 million for the current year compared with S\$40.8 million of the corresponding year, mainly due to lower sales during the year under review.

Loss from discontinued operations

Loss from discontinued operations decreased by 100% due to the deconsolidation of certain Vietnamese subsidiaries.

Group Balance Sheet

The Group was in a net current liabilities (“NCL”) position of S\$0.9 million as at 31 December 2024. NCL of the Group decreased by 96.7% from S\$26.3 million as at 31 December 2023 due mainly to the performance attained by the Group. As a result, total equity of the Group increased to S\$38.6 million as at 31 December 2024 from S\$10.6 million as at 31 December 2023.

Property, plant and equipment increased to S\$20.8 million due to the renovation of aged stores during the year.

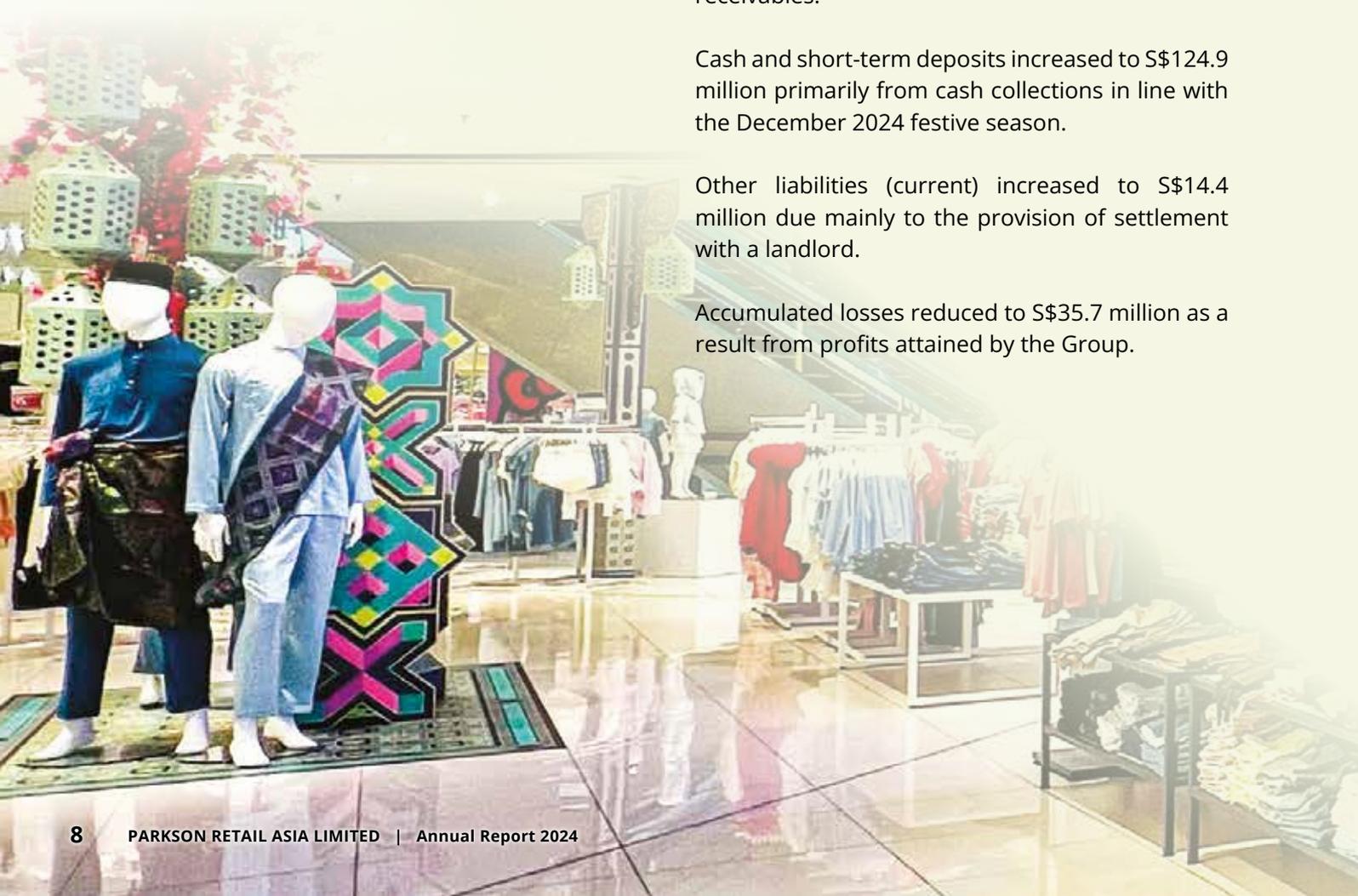
Inventories increased to S\$29.5 million mainly due to the upcoming festive seasons in the next quarter.

Trade and other receivables (current) decreased to S\$8.2 million largely due to repayment from receivables.

Cash and short-term deposits increased to S\$124.9 million primarily from cash collections in line with the December 2024 festive season.

Other liabilities (current) increased to S\$14.4 million due mainly to the provision of settlement with a landlord.

Accumulated losses reduced to S\$35.7 million as a result from profits attained by the Group.



MANAGEMENT DISCUSSION AND ANALYSIS

Company Balance Sheet

Investment in subsidiaries increased to S\$117.6 million due to fluctuations in the foreign exchange.

Trade and other receivables (current) increased to S\$4.2 million due to advances to subsidiaries.

Cash and short-term deposits decreased to S\$0.02 million resulting from repayment of liabilities.

Other liabilities (current) decreased to S\$0.2 million from repayments during the year.

Group Cash Flow

For the current year, the Group recorded net cash inflow from operating activities of S\$76.4 million, net cash used in investing activities of S\$7.1 million and net cash used in financing activities of S\$53.8 million, resulting in a net increase in cash and cash equivalents of S\$15.5 million (2023: net increase of S\$0.7 million). The net increase in cash and cash equivalents was generally in line with the cash collections during the December 2024 festive season.



BOARD OF DIRECTORS

TAN SRI CHENG HENG JEM

Executive Director, Chairman

Tan Sri Cheng Heng Jem was appointed as a Director of the Company on 31 March 2011 and was last re-elected on 29 April 2022. He is a member of the Nominating Committee.

Tan Sri Cheng has more than 60 years of experience in the business operations of the Lion Group, a Malaysian based diversified business group (which includes our Company) encompassing retail, financial services, steel, mining, property and industrial parks, agriculture, tyre manufacturing, motor vehicle assembly, brewery and computer industries. He oversees the operations of Lion Group and is responsible for the formulation and monitoring of the overall corporate strategic plans and business development of the Group.

Tan Sri Cheng is the Chairman and Managing Director of Parkson Holdings Berhad ("PHB"), our ultimate holding company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Executive Director and Chairman of Parkson Retail Group Limited, a subsidiary of PHB listed on The Stock Exchange of Hong Kong Limited. Tan Sri Cheng is currently the Chairman of Lion Posim Berhad and in May 2022, he was appointed the Managing Director of Lion Industries Corporation Berhad, both public companies listed on the Main Market of Bursa Securities. He also sits on the board of Lion Asiapac Limited, a public company listed on SGX-ST, and is a Founding Member and a Permanent Trustee of The Community Chest, a company limited by guarantee established by the private sector for charity purposes.

Tan Sri Cheng was the President of The Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCCIM") and The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor ("KLSCCCI") from 2003 to 2012 and is now a Life Honorary President of ACCCIM and KLSCCCI. He was also the President of Malaysia Retailers Association ("MRA") from May 2016 to May 2018, and was its Honorary President from June 2018 to July 2020. He was again appointed the President of MRA from July 2020 to May 2022 and in June 2022, he was appointed an Honorary President of MRA.

He was the Chairman of the Federation of Asia-Pacific Retailers Associations from October 2017 to September 2019, and was its Vice Chairman from September 2019 to November 2022. He is a Trustee of ACCCIM's Socio-Economic Research Trust and the President of Malaysia Steel Association.

Tan Sri Cheng is the father of Ms Cheng Hui Yuen, Vivien, an Executive Director of the Company.

CHENG HUI YUEN, VIVIEN

Executive Director

Ms Cheng Hui Yuen, Vivien, was appointed as Executive Director of the Company on 18 September 2015 and was last re-elected on 26 April 2024.

Ms Cheng has been working in the Lion Group since 2012 and is presently the General Manager - Business Development of Parkson Branding Division. Her responsibilities include the bringing in of international brands to the Southeast Asia market and introducing brands that are exclusive to Parkson Department Stores. Besides the key function of identifying and procuring fashion and retail brands, her portfolio requires her to be keenly involved in Parkson Department Stores operations and other Lion Group projects such as shopping mall development and food and beverage businesses.

Ms Cheng holds a Bachelor of Engineering in Environmental Engineering from the University of Science and Technology Beijing, People's Republic of China.

Ms Cheng is the daughter of Tan Sri Cheng Heng Jem, an Executive Director and Chairman of the Company.

MICHAEL CHAI WOON CHEW

Independent, Non-Executive Director

Mr Chai was appointed as Director of the Company on 1 September 2017, and was last re-elected on 28 April 2023. He is the Lead Independent Director, Chairman of the Audit Committee and the Nominating Committee and a member of the Remuneration Committee.

Mr Chai is a partner of Messrs Michael Chai & Co., Advocates & Solicitors. He is currently a Non-Independent Non-Executive Director of KKB Engineering Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

Mr Chai holds a Bachelor of Laws (Honours) degree from the University of Buckingham, Bachelor of Science (Honours) Degree in Chemistry from the University of Surrey, UK and is qualified as Barrister-at-Law from Lincoln's Inn, England. Mr Chai was called to the Bars in Malaysia and Singapore.

DATUK KOONG LIN LOONG

Independent, Non-Executive Director

Datuk Koong was appointed as Director of the Company on 2 January 2020 and was last re-elected on 28 April 2023. He is the Chairman of the Remuneration Committee and a member of the Nominating Committee and the Audit Committee.

Datuk Koong is qualified as member of ASEAN Chartered Professional Accountants (ASEAN CPA), the Malaysian Institute of Accountants (MIA), the Certified Practising Accountants Australia (CPA Australia), the Malaysian Institute of Certified Public Accountants (MICPA), the Institute of Internal Auditors Malaysia and Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA), and a fellow member of the Chartered Tax Institute of Malaysia (CTIM) and Chartered Institute of Management Accountants in the United Kingdom (CIMA). He is also an associate member of Malaysian Association of Company Secretaries.

In addition, Datuk Koong is the practising Auditor of Ministry of Finance in Malaysia, the Treasurer of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) cum Chairman of its Small & Medium Enterprises (SMEs) Committee. He is also Board member of SME Corporation Malaysia under the Ministry of Entrepreneur & Cooperatives Development (MECD), Board member of The Credit Counselling and Debt Management Agency (AKPK) under the Central Bank of Malaysia, and member of Sales & Services Tax Technical Committee of Royal Malaysian Customs Department.

Currently, Datuk Koong is the Managing Partner of Reanda LLKG International, Chartered Accountants. He is also the President of Southeast Asia & South Asia Region of Reanda International Network and the Chairman of its International Tax Panel. He is also a member of the Practice Review Committee of MIA.

Datuk Koong is currently an Independent Non-Executive Director of Parkson Retail Group Limited, a public company listed on the Hong Kong Stock Exchange.

SAM CHONG KEEN

Independent, Non-Executive Director

Mr Sam Chong Keen was appointed as Director of the Company on 30 October 2020 and was last re-elected on 26 April 2024. He is a member of the Remuneration Committee and the Audit Committee.

Mr Sam has a wealth of management experience, having held senior/CEO positions in the Singapore Government Administrative Service, National Trades Union Congress (NTUC), Intraco Ltd, Comfort Group Ltd, VICOM Ltd, Lion Asiapac Limited, A-Smart Holdings Ltd, and Emerging Towns & Cities Singapore Ltd.

Mr Sam was the Political Secretary to the Minister for Education from 1988 to 1991. He has served on various government boards and committees, including the Central Provident Fund Board and the National Co-operative Federation.

Mr Sam currently sits on the boards of other public listed companies in Singapore. He is a Non-Independent Non-Executive Director of A-Smart Holdings Ltd, Lion Asiapac Limited and Stamford Tyres Corporation Ltd. He is an Independent Non-Executive Director of SMI Vantage Limited.

Mr Sam holds a Bachelor of Arts (Engineering Science and Economics) (Honours) degree and a Master of Arts degree from the University of Oxford, as well as a Diploma from the Institute of Marketing, United Kingdom.

KEY MANAGEMENT

LAW BOON ENG

Chief Executive Officer of Malaysia Operations

Mr Law is the Chief Executive Officer of Malaysia operations. He has over 30 years of experience in the retail industry. He held several senior positions in major retail groups in Malaysia, including General Manager of Merchandising and Marketing in our Malaysia operations, Chief Operating Officer and Executive Director of Ngiu Kee Corporation Bhd and Executive Director of Asia Brands Corporation Berhad. Mr Law re-joined the Group as Acting Chief Operating Officer of Malaysia operations in October 2014, and became the Chief Operating Officer of Malaysia operations in October 2015. He was promoted to Chief Executive Officer of Malaysia operations in June 2023.

Mr Law holds a Diploma in Management from Curtin University, Australia.

CHONG LEE MEI

Chief Financial Officer

Ms Chong Lee Mei was appointed as the Chief Financial Officer of the Company on 14 November 2022. She has more than 30 years of experience in retailing, auditing and finance work. Ms Chong joined Parkson Corporation Sdn. Bhd. as an accountant in 1996 and was subsequently appointed as the Chief Accountant in 2002. From 2008 to 2015, she also assisted in handling investor relation for Parkson Holding Berhad. Prior to joining the Group, she worked as an auditor in a public accounting firm and also as an accountant in various companies.

Ms Chong is a fellow member of the Association of Chartered Certified Accountants (ACCA) of United Kingdom and a member of the Malaysia Institute of Accountants (MIA).



KEY MANAGEMENT

JOCELYN TEE CHIEW YING

Chief Auditor

Ms Tee Chiew Ying was appointed as the Chief Auditor of the Company on 14 November 2022. Ms Tee joined Parkson Corporation Sdn. Bhd. as an Internal Audit Executive in February 2008. In August 2014, she was appointed as an Assistant Audit Manager and subsequently promoted to Audit Manager in January 2016. She has more than 15 years of working experience in the company's internal audit department. Prior to joining the Company, she was with an audit firm and has working experience in the field of audit and assurance.

Ms Tee is a chartered member of the Association of Chartered Certified Accountants (ACCA) of United Kingdom and a professional member of the Institute of Internal Audit Malaysia (IIAM).



CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Empowerment through Education

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

In FY2024, the Foundation disbursed scholarships amounting to RM375,000 to 39 undergraduates pursuing their bachelor's degree in local institutions of higher learning.

Expansion of Home for Special Children

As part of its ongoing support for vulnerable communities, the Foundation completed and officially handed over the expansion of the Home for Handicapped & Mentally Disabled Children in Banting, Selangor which includes an old folks home to the operator, Persatuan Penjagaan Kanak-Kanak Terencat Akal Negeri Selangor, on 23 January 2024.

Medical Assistance for the Less Fortunate

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

In FY2024, the Foundation disbursed approximately RM304,803 to 38 individuals for medical treatment, which included sponsorships for surgeries, equipment, and medications. The Foundation also made contributions to the following causes:



CORPORATE SOCIAL RESPONSIBILITY (CSR)

No	Organisation	Amount (RM)	Purpose	No of beneficiaries
1	Cataract Surgery Centre, Hospital Selayang	20,000	Donation to B40 group needing cataract operation	86
2	Home for Handicapped and Mentally Disable Children in Banting, Selangor	20,422	Medical equipment and medicine for Home residents	94
3	St John Ambulance of Malaysia	228,380	Purchase of one ambulance, fully equipped with fabrication, medical equipment and devices	Communities served by the ambulance services
4	The Spastic Children's Association of Selangor & Federal Territory	27,715	Donation to medical equipment for physiotherapy centre	130

Other CSR Initiatives

Parkson facilitates store visits and tours for students of retail and business courses from local institutes, providing them and stakeholders with valuable insights and hands-on retail experience.



FINANCIAL CONTENTS

Corporate Governance Report	17
Directors' Statement	42
Independent Auditor's Report	45
Statements of Financial Position	52
Consolidated Statement of Profit or Loss	54
Consolidated Statement of Other Comprehensive Income	55
Consolidated Statement of Changes in Equity	56
Consolidated Statement of Cash Flows	57
Notes to the Financial Statements	61
Shareholding Statistics	139
Notice of Annual General Meeting	141
Disclosure of Information on Director(s) Seeking Re-Election	148
Proxy Form	



CORPORATE GOVERNANCE REPORT

The Company and its subsidiaries (“**Group**”) recognise the importance of good corporate governance and are committed to attaining a high standard of corporate governance practices to enhance corporate performance and protect the interest of shareholders.

This Corporate Governance Report describes the Group’s corporate governance practices and sets out the manner in which the Group has applied the principles, and the extent of compliance, with the principles and provisions of the Code of Corporate Governance 2018 (“**Code**”) and the accompanying Practice Guidance issued on 6 August 2018 and last amended on 14 December 2023, which form part of the continuing obligations under the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Listing Manual**”) and where applicable, the Listing Rules. Where there have been deviations from any provision of the Code, appropriate explanations have been provided in this Corporate Governance Report for the variation and how the practices adopted by the Group are consistent with the intent of the relevant principle of the Code. This report should be read in totality, instead of being read separately under each principle of the Code.

In the opinion of the Board of Directors of the Company (each a “**Director**”, and collectively the “**Board**” or “**Directors**”), the Company has generally complied with all of the principles set out in the Code for the financial year ended 31 December 2024 (“**FY2024**”).

Principle 1: The Board’s Conduct of Affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The principal duties and responsibilities of the Board include:

- providing entrepreneurial leadership to the Group;
- reviewing the Group’s overall long-term strategies, financial objectives and business plans;
- assessing and monitoring the key risks presented by the key management personnel of the Group (“**Management**”);
- assessing the adequacy and effectiveness of internal controls to ensure that key risks are managed to safeguard and protect the interest of the shareholders;
- reviewing the financial performance of the Group and the performance of the key management team to ensure that the necessary financial and human resources are in place for the Group to meet its strategic objectives; and
- considering sustainability issues such as environmental, social and governance factors, as part of the strategic formulation to ensure sustainability of the Group’s business and the setting of an appropriate tone-from-the-top by setting the values and standards for the Group to ensure that the reputation of the Group is being upheld.

The Board also recognises that the perceptions of the key stakeholder groups affect the Group’s reputation, and strives to ensure transparency and accountability to these key stakeholder groups. The Company has identified the key stakeholder groups and regularly seeks their feedback to improve the Group’s performance and ensure that their expectations are being met. All Board members bring their judgement, diversified knowledge and experience to review and approve Management’s plans on issues relating to strategy, performance, resources and standards of conduct.

CORPORATE GOVERNANCE REPORT

Director's conflict of interest

All Directors of the Board exercise due diligence and independent judgement in discharging their duties and responsibilities at all times as fiduciaries who act objectively in the best interests of the Company. Where there are circumstances in which a Director has a conflict of interest or it appears that the Director might have a conflict of interest in relation to any matter, the Director concerned will disclose such conflict of interest either by sending a written notice to the Company containing such details of his or her interest and the conflict, or declaring such interest at a meeting of the Directors (or in written resolutions to be passed) and recuse himself or herself from participating in any discussion and abstain from voting on the matter. Where relevant, the Directors have complied with such requirement, and such compliance is duly recorded in the minutes of Board meeting and/or in the Board resolutions of the Company.

Matters requiring Board's approval

Matters reserved for the Board's decisions include approving the Group's broad policies, strategic business plans, annual financial budget, material acquisitions, investments and divestments, capital commitment above certain set threshold, interested person transactions ("**IPTs**"), declaration and payment of interim and/or final dividends, quarterly/yearly financial results and any announcement which is required to be released to the SGX-ST.

Appointment of Directors and key management personnel, and their remuneration and compensation packages are also matters that require the approval of the Board.

The matters which require the Board's approval are clearly communicated to Management in writing, and the Company's Compliance Manual, which is reviewed regularly by the Board, sets out all such matters which require the Board's approval.

Delegation by the Board

The Board has formed and delegated specific responsibilities to three Board committees, namely the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"), to assist the Board in discharging its duties and responsibilities in the interests of the Company.

Each of the Board committees reports to and is monitored by the Board, and has its own clear written terms of references setting out their compositions, authorities and duties ("**Terms of Reference**"). The Board accepts that while these Board committees have the authority to examine specific issues which are set out in their respective Terms of Reference and will report to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

Board processes, including Directors' attendance at meetings

The Directors attend and actively participate in Board and Board committees' meetings. The Board meets at least four times a year. The Board, Board committees' meetings, and the Company's annual general meeting ("**AGM**") for the following calendar year are scheduled at the end of the current calendar year to enable the Directors to plan their schedule ahead. Ad-hoc meetings may be called in between the scheduled meetings when there are matters requiring the relevant Directors' deliberation, consideration and decision. The Company's Constitution provides for Board meetings to be held via telephone, or other similar communication facilities whereby all persons participating in the meeting are able to communicate as a group, with at least one of the Directors present at the venue of the meeting for the duration of the meeting. The Board and Board committees may also take decisions through circular resolutions.

CORPORATE GOVERNANCE REPORT

The AGM and the number of Board and Board committees meetings held in FY2024 (i.e. from 1 January 2024 to 31 December 2024) and the attendance of the Directors at the meetings are as follows:

Board of Directors		AC		NC		RC		AGM
Position	Number of Meetings Attended	Position	Number of Meetings Attended	Position	Number of Meetings Attended	Position	Number of Meetings Attended	

Executive Directors

Tan Sri Cheng Heng Jem	C	3/4	-	-	M	1/1	-	-	1/1
Cheng Hui Yuen, Vivien	M	4/4	-	-	-	-	-	-	1/1

Independent Directors

Michael Chai Woon Chew	M	4/4	C	4/4	C	1/1	M	1/1	1/1
Datuk Koong Lin Loong	M	3/4	M	3/4	M	1/1	C	1/1	1/1
Sam Chong Keen	M	4/4	M	4/4	-	-	M	1/1	1/1

Legend:

C – Chairman

M – Member

There was no extraordinary general meeting (“**EGM**”) of the Company held during FY2024.

Induction, training and development of Directors

A formal letter will be given to each new Director upon his/her appointment, setting out the Director’s roles, duties, obligations and responsibilities, and the expectations of the Company. Incoming Directors, when appointed, will undergo an orientation programme that includes briefings by Management on the Group’s structure, businesses, operations, and policies. Each new Director who has no prior experience as a director of a listed company (“**First-time Director**”) would undergo the either of the mandatory training as prescribed by the SGX-ST, namely, (a) the ‘Listed Entity Directors Programme’ conducted by the Singapore Institute of Directors (“**SID**”), (b) the ‘Listed Entity Directors Bridging Programme’ conducted by the SID or (c) the ‘Board Of Directors (BOD) Masterclass Programme’ conducted by Institute of Singapore Chartered Accountants and SAC Capital Private Limited, to equip him with the skills and knowledge to execute their duties as directors effectively and familiarise himself with the roles and responsibilities of a director of a listed company. No new Directors or First-time Directors were appointed during FY2024.

All Directors are also given the opportunity to visit the Group’s operational facilities and meet with the management team.

A manual containing the Group’s policies and procedures relating to its business, corporate governance, restrictions on dealings in its securities and price-sensitive information and whistle blowing policy, which has been approved by the Board, is provided to each Director. The manual also contains guidelines on approval limits for, among others, acquisition and disposal of assets, financial management and capital requirements, and sets out the matters that are specifically reserved for the Board’s consideration and decision as well as directions to Management in relation to such matters.

Specific training conducted by professionals would be tailored for and provided to the Directors to help them to keep up with relevant changes to listing requirements, corporate governance best practices and accounting standards, as well as changing commercial risks. Directors are also encouraged to attend, at the Group’s expense, relevant and useful seminars for their continuing education and skills improvement.

CORPORATE GOVERNANCE REPORT

Complete, adequate and timely information

All Directors are furnished with Board papers and materials relevant to the agenda items of the meeting prior to Board and Board committees meetings. The meeting materials are provided, as far as possible, one week before the scheduled meetings to allow the Directors sufficient time to read and review the documents for deliberation at the meetings. Materials that are provided include the unaudited quarterly financial statements, the internal audit report, list of IPTs, whistle blowing reports (if any), list of board resolutions passed via written means, announcements released in-between the quarterly meetings, Directors' declaration of interest (if any), as well as other Board Papers that are not part of the quarterly routine. As and when there are urgent and important matters that require the Directors' attention, information is furnished to the Directors as soon as practicable, and where necessary, a Board or Board committee meeting (as may be necessary) will be convened at short notice. The Directors may also request for additional information from Management or for expert advice to be sought during discussion at the Board or Board committee meetings if they deemed such information necessary and appropriate for well-informed decision-making.

Management makes presentations to the Board on a quarterly basis on the financial performance of the Group.

Annual budgets are presented to the Board for approval and adoption, and subsequently at the quarterly Board meetings, the variances between projections and actual results are tabled for the Board's review. If needed, the AC or the Board may request for re-forecasts or revised budgets to be presented. Monthly management accounts are made available to Directors upon their request.

The Board has taken adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Listing Manual. A compliance manual covering legislative and regulatory requirements has been circulated to the Management team and is updated when there are amendments to the legislative and regulatory requirements. Management provides the Executive Directors ("**ED**") with monthly financial reports which are also made available to the Non-Executive Directors ("**NED**") upon their request. Additional or ad-hoc meetings are conducted when required.

Independent access to Management, Company Secretary(ies) and professional advice

All Directors have separate and independent access to Management, the Company Secretary(ies), the Group's internal and external auditors, as well as external advisers (where necessary) at the Company's expense, should they have any queries on the affairs of the Group. The contact persons and contact details of these parties are regularly updated and circulated to the Directors.

The Company Secretary(ies) and/or their assistants attend all meetings of the Board and Board committees and ensure that the Board and Board committees procedures are followed and that applicable rules and regulations are complied with. The Company Secretary(ies) are responsible for ensuring good information flows within the Board and its Board committees and between Management and the NEDs, advising the Board on corporate and administrative matters as well as facilitating orientation and assisting with professional development as required.

Any decision to appoint or remove the Company Secretary(ies) can only be taken by the Board as a whole.

The Board has also approved a procedure for Directors, either individually or as a Board, to take independent professional advice where necessary in the furtherance of their duties, at the Group's expense.

CORPORATE GOVERNANCE REPORT

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Composition of (i) Independent Director("ID"); and (ii) NEDs, on the Board

As at the end of FY2024, the Board comprises 5 Directors: 1 Executive Chairman, 1 ED and 3 IDs, and the composition of each Board Committee is as follows:

Name of Director	Position	Board Committee Membership		
		AC	NC	RC
Tan Sri Cheng Heng Jem	Executive Chairman	-	Member	-
Cheng Hui Yuen, Vivien	ED	-	-	-
Michael Chai Woon Chew	Lead ID	Chairman	Chairman	Member
Datuk Koong Lin Loong	ID	Member	Member	Chairman
Sam Chong Keen	ID	Member	-	Member

There were no changes in the Board composition during FY2024.

The Company had maintained a satisfactory independent element on the Board with majority of the Board comprising IDs that sufficiently enabled it to exercise objective judgment and no individual or group of individuals dominate the Board's decision-making process. It was therefore compliant with Provision 2.2 of the Code which provides that IDs make up a majority of the Board where the Chairman of the Board ("**Chairman**") is not independent and Provision 2.3 that NEDs make up a majority of the Board.

Directors' independence review

The Board has established a process for assessing the independence of its Directors. As part of the process, each NED is required to confirm via a declaration form on an annual basis, or as and when required, his/her independence based on the provisions in the Code and the Listing Manual. The NC will take into consideration the NED's declaration during its review to determine whether the NED is independent in character and judgement, and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the NED's judgement. The NC takes into account the Listing Manual in relation to the assessment of a NED's independence, and further views that the existence of any of the following relationships or circumstances will also deem the NED not independent:-

- (a) the NED, or the NED whose immediate family member, in the current or immediate past financial year, providing to or receiving from the Company or any of its related corporations any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for board service. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material. As a guide, payments aggregated over any financial year in excess of S\$50,000 should generally be deemed significant;

CORPORATE GOVERNANCE REPORT

- (b) the NED:
- (i) who, in the current or immediate past financial year, is or was; or
 - (ii) whose immediate family member, in the current or immediate past financial year, is or was,
- a substantial shareholder (as defined in the Securities and Futures Act 2001) of, or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services (which may include auditing, banking, consulting and legal services), or with which the Company or any of its related corporations had any business relationships. As a guide, payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant;
- (c) the NED who is a substantial shareholder or an immediate family member of a substantial shareholder of the Company; or
- (d) the NED who is or has been directly associated with a substantial shareholder of the Company, in the current or immediate past financial year.

None of the NEDs has or had any relationships or circumstances as prescribed above. Based on the foregoing assessment, the Board and the NC are of the view that each of the NEDs (being all of the IDs on the Board) are independent and accordingly the Company had maintained a satisfactory independent element on the Board, for FY2024.

Composition of the Board and Board Committees, and Board Diversity Policy

The Board and the NC review the size of the Board on an annual basis. Based on the latest review, the Board and the NC are of the view that the present Board size is appropriate and facilitates effective decision making, taking into account the current scope and nature of the Group's operations, the requirements of the business of the Group and the need to avoid undue disruptions from changes to the composition of the Board and Board committees.

The Board has adopted a Board Diversity Policy as it recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of the Board's performance. The main objective of the Board Diversity Policy is to maintain the appropriate balance of skills, experience, age, gender, cultural background, knowledge, competencies, tenure and independence on the Board to support the long-term success of the Company. The Board Diversity Policy identifies key metrics of diversity in respect of gender, skills and experience, tenure, independence and age as further elaborated below.

Gender: In recognition of the importance and value of gender diversity in the composition of the Board, the Company targets to have at least 20% representation of female directors on the Board. The Board currently has one female director, Ms. Cheng Hui Yuen, Vivien ("**Ms Vivien Cheng**"), representing 20% of total Board membership and has met this target.

Age and Tenure: In addition, the Board is of the view that fair representation of directors of different age and tenure can bring fresh and holistic perspectives and different life experiences to the Board, whilst maintaining an overall level of maturity and experience in thinking. As such, the Company targets to have a fair representation of directors of different ages and tenures whilst maintaining an average age of 60 to 65 years. Currently, the Board consists of directors with ages ranging from mid-30s to early-80s, who have served on the Board for different tenures. The Board members with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.

CORPORATE GOVERNANCE REPORT

Skills and Experience: Diversity of skills and experience on the Board brings greater resources to problem solving and skills that support the duty of the Board to monitor corporate performance and provide strategic insight and as such, this is a key metric under the Board Diversity Policy. Currently, the Board members have an appropriate balance of skills and experience, as well as core competencies such as accounting and finance, legal, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge –

- Ms Vivien Cheng is the only female Director on the Board, and the youngest among the Directors. Ms Vivien Cheng, who has merchandising experience, has been mentored and guided by her father, Tan Sri Cheng Heng Jem (“**Tan Sri Cheng**”) who is the Chairman.
- Mr Michael Chai Woon Chew (“**Mr Michael Chai**”) brings with him legal expertise.
- Datuk Koong Lin Loong (“**Datuk Koong**”) who has his own company, brings with him knowledge on tax matters.
- Mr Sam Chong Keen (“**Mr Sam**”) brings with him a wealth of management experience, having held senior positions in both the Singapore government and private sectors.
- The Chairman, Tan Sri Cheng, founded Parkson and he has other successful businesses, a few of which are also listed on recognised stock exchanges.

In particular, the IDs, although not directly involved in the retail business, have good commercial exposure and possess various professional expertise, and have always given their opinions and advice from different perspectives for the EDs/management to consider and evaluate.

Independence: A balanced board of independent and non-independent representation can bring external expertise and allows for unbiased decision making. In recognition of this, the Board Diversity Policy commits to having a 60% independence representation on the Board, beyond the prescribed minimum under the Listing Manual and the Code. Currently, the Board has three IDs (being Mr Michael Chai, Datuk Koong and Mr Sam), constituting 60% of the Board membership.

Under the Board Diversity Policy, the NC reviews and assesses the composition of the Board with a view to achieving an appropriate balance of diversity and mix of skills, experience, gender, age and the core competencies of accounting, legal and regulatory, business or management experience and industry knowledge to avoid groupthink and foster constructive debate. The NC makes recommendations to the Board on the appointment of new directors, taking into consideration all aspects of diversity, including but not limited to skills, experience, background, gender, age, ethnicity and other relevant factors which may be applicable to the Company’s business, such as retail experience/exposure. The NC will review the structure, size, balance and diversity of the Board annually and propose any changes to the Board to complement the objectives and strategies of the Company and in this regard review and report to the Board annually the objectives and progress made in achieving an appropriately diverse board composition.

The NC recently conducted its assessment for FY2024 and is of the view that the current Board and its Board committees comprise Directors, who as a group, provide an appropriate balance and diversity of skills, experience, gender, age and knowledge of the Group. The NC and the Board remain committed to implementing its Board Diversity Policy and the NC will continue to review the Board Diversity Policy to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval.

CORPORATE GOVERNANCE REPORT

The Board is of the view that whilst promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. When assessing Board composition or identifying suitable candidates for appointment or re-endorsement to the Board, the NC will also consider candidates on merit against objective criteria set by the Board, having due regard to the overall balance and effectiveness of the Board.

Role of the NEDs and/or IDs

All Directors have equal responsibility for the Company's operations by ensuring that the strategies proposed by Management are constructively challenged, fully discussed and examined, and that they take into account the long-term interests of the Group's stakeholders, which includes shareholders, employees, customers and suppliers.

Mr Michael Chai, the Lead ID, leads and co-ordinates the activities of the NEDs and provides assistance to the NEDs to constructively challenge and help develop proposals on strategy, reviews the performance of Management in meeting agreed goals and objectives and monitors the reporting of performance.

To facilitate a more effective check on Management, NEDs are encouraged to meet regularly without the presence of Management. The NEDs who were not involved in the operations of the Group had met several times in FY2024 without the presence of Management, and held constant informal discussions amongst themselves. Any feedback would be provided to the Board and/or Chairman of the Board as appropriate.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Chairman and CEO

To ensure a clear division of responsibilities and a balance of power and authority within the Company, the role of Chairman and the Group Chief Executive Officer ("CEO") of the Company are undertaken separately. Tan Sri Cheng is the Executive Chairman. The position of the Group CEO is currently vacant.

The division of responsibilities between the role of Chairman and the role of the Group CEO are set out in writing and endorsed by the Board. The Chairman leads the Board in adhering to and maintaining a high standard of corporate governance with the full support of the Directors and Management. He is responsible for, among others, ensuring effective communication with shareholders and other stakeholders, setting the Board agenda and conducting effective Board meetings, as well as ensuring that the culture in the boardroom promotes open interaction and contributions by all. As the Chairman of the Board, he approves the agenda of each Board meeting and ensures material complete and adequate information is provided to the Board timely to facilitate decision-making. He promotes a culture of openness and debate during Board meetings and facilitates the effective contribution of all Directors at Board meetings, and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. The Chairman monitors communications and relations between the Company and its shareholders, between the Board and the Management and between independent and non-independent Directors, in order to facilitate and encourage constructive relations and dialogue among them.

A Group CEO is responsible for the day-to-day operations of the Group, implementing the Group's strategies and policies, and for conducting the Group's business. A Group CEO will be required to attend the quarterly AC and Board meetings on the invitation of the AC and the Board and to update the AC and the Board on the strategic and operational business aspects of the Group.

CORPORATE GOVERNANCE REPORT

Although the roles and responsibilities of both the Executive Chairman and the CEO are vested in Tan Sri Cheng despite not being designated as the Group CEO, being a deviation from the provision 3.1 of the Code, the Board believes that vesting the roles of both Executive Chairman and CEO in the same person who is knowledgeable in the business of the Group provides the Group with a strong and consistent leadership and thus allows for more effective planning and execution of long-term business strategies. Nonetheless, any major decisions made by Tan Sri Cheng are required to be reviewed and approved by the Board. Should Tan Sri Cheng face any conflict of interest in a proposed transaction, he is required to recuse himself from discussions and decisions involving the issues of conflict. He is also required to avoid situations in which his own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Group.

As such, consistent with the intent of principle 3 of the Code, the Board is of the opinion that there are adequate safeguards and checks in place to ensure that the process of decision-making by the Board is independent and based on collective decision without any individual exercising any considerable concentration of power of influence and the following factors sufficiently ensure that power is not concentrated in the hands of one individual and that the required accountability and independent decision-making by the Board is maintained:

- (a) The IDs of the Company make up a majority of the Board;
- (b) There is active participation by IDs during Board meetings who constructively challenge the assumptions and proposals of Management on all relevant issues affecting the affairs and the business of the Group, review the performance of Management and monitor the reporting of performance; and
- (c) A Lead ID has been appointed to address shareholders' concerns which have not been resolved through the normal channels of the Executive Chairman, ED or Chief Financial Officer ("CFO") for which such contact is inappropriate. The Lead ID also acts as the principal liaison between the IDs and the Executive Chairman on sensitive issues.

Accordingly, there is a balance of power and authority and, therefore, no one individual has unfettered powers and can control/dominate the decision-making process of the Company.

Lead ID

In accordance with provision 3.3 of the Code, as the Chairman is not an ID, the Board has appointed Mr Michael Chai as the Lead ID of the Board. Shareholders with concerns may contact Mr Michael Chai directly, when contact through the normal channels via the Executive Chairman and the CFO has failed to provide satisfactory resolution or when such contact is inappropriate or inadequate. As the Lead ID, he leads and encourages dialogue between the IDs without the presence of the other Directors at least once annually, and provides feedback to the Chairman after such meeting(s).

Principle 4: Board membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NC's duties and composition

The Board has established the NC which has its primary role in making recommendations to the Board on all appointments to the Board and the Board committees. In making such recommendations, the NC seeks to ensure that the Board is comprised of Directors with diversity of skills, experience, age and gender.

CORPORATE GOVERNANCE REPORT

The NC comprises three Directors, the majority of whom, including the chairman of the NC, are independent. Mr Michael Chai, who is the Lead ID, is the Chairman of the NC.

Michael Chai Woon Chew – Chairman (Lead ID)

Datuk Koong Lin Loong – Member (ID)

Tan Sri Cheng Heng Jem – Member (ED)

The NC is regulated by a set of written terms of reference endorsed by the Board, and reviewed to take into account any regulatory changes. The duties and responsibilities of the NC include the following:-

- reviewing appointments and re-appointments to the Board and the Board committees and candidates for senior management positions;
- reviewing Board succession plans for Directors, in particular, the Chairman and the Group CEO, and key management personnel;
- reviewing and monitoring the implementation of the Board Diversity Policy;
- developing a process and criteria for evaluation of the performance of the Board, the Board committees and individual Directors;
- reviewing the training and professional development programmes for the Directors;
- determining annually, and as and when circumstances require, if a Director is independent;
- ensuring that all directors, including new directors, are aware of their duties and obligations; and
- determining if a Director is able to and has been adequately carrying out his/her duties as a Director of the Company.

The principal activities of the NC during FY2024 are summarised below:

- a. reviewed and determined the independence of each ID and the AC members;
- b. facilitated the annual evaluation of the performance of the Board, Board committees and individual Directors and reviewed with the Board the results of such evaluation;
- c. reviewed and recommended the nominations of Directors for re-election at the AGM;
- d. reviewed the size, composition and the diversity of the Board and Board committees; and
- e. reviewed the disclosures of its Board Diversity Policy pursuant to Rule 710A of the Listing Manual.

Process for selection and appointment of new Directors, and re-appointment/re-election of Directors

The NC has put in place a process for the selection and appointment of new Directors which includes identification of potential candidates, evaluation of candidates' skills, knowledge and experience and assessment of the candidate's suitability. All potential candidates, through the recommendation of the Directors, professional firms and associates, and if need be, through external consultants, will have their profile submitted to the NC for screening and selection. The NC will meet with the selected candidate to assess his/her suitability, before making its recommendations to the Board for the Board's approval.

CORPORATE GOVERNANCE REPORT

In considering new appointment and re-appointment/re-election of Directors, the NC will consider important issues including the composition of the Board, the need to have progressive Board renewal, the individual Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) to the Board.

All Directors appointed to the Board are required to submit themselves for re-election at regular intervals. The Company's Constitution provides that at each AGM, one-third of the Directors who have served the longest since their most recent election (or, if the number of Directors is not a multiple of three, the number nearest to but not less than one-third) must retire from office and may stand for re-election at that AGM. Each Director must retire from office and stand for re-election at least once every three years. The Company's Constitution further provides that a Director who is newly appointed by the Board since the last AGM will have to retire at the forthcoming AGM. The NC member will abstain from deliberating and voting on his/her own nomination for re-election, and that of another Director who is related to him/her.

In accordance with Article 91 of the Constitution of the Company, Tan Sri Cheng and Mr Michael Chai will retire at the forthcoming AGM. Being eligible, Tan Sri Cheng and Mr Michael Chai have submitted themselves for re-election. In this regard, the NC, having considered the attendance and participation of (i) Tan Sri Cheng and (ii) Mr Michael Chai at Board and Board Committees' meetings as well as Board processes, in particular, Tan Sri Cheng's contributions to the business and operations of the Company and taken into account Mr Michael Chai's track record, experience and capabilities to, amongst others, provide insight and guidance to the Group's business and strategies, has recommended their re-elections. The Board has concurred with the NC's recommendation.

Information relating to the Directors, including those seeking re-election, detailing their qualification, directorships in other listed companies, their appointment to the Board of the Company and the date of their last re-election can be found on pages 148 to 155 of this Annual Report.

Review of Directors' Independence

The NC has put in place a process to determine a Director's independence. Once a year, after each financial year end, a Form of Declaration of Independence or Non-Independence ("**Form**") will be sent to each of the Directors. The Form compels each Director to consider if he/she meets the criteria for independence under the Code. Having done so, the said Director will have to declare his/her independence or non-independence, and to sign and submit the duly completed Form to the Company Secretary(ies). These duly signed Forms will be tabled at the NC meeting for the NC's review. While the NC is not bound by the Director's declaration, the disclosures contained in each Form will assist the NC in making its determination. In addition to the Form, the NC will also assess whether the Director has exercised and can continue to exercise independent judgment. In addition to this annual review, the NC is also committed to convening a meeting as and when circumstances prevail which calls for a review of a Director's independence. The NC will present its findings to the Board for the Board's review.

The NC (save for Mr Michael Chai and Datuk Koong who abstained from deliberating their own independence) had reviewed the independence of Mr Michael Chai, Datuk Koong and Mr Sam. The NC noted that Mr Michael Chai, Datuk Koong and Mr Sam have no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company, and they had exercised objective judgement on corporate affairs independently from Management.

The Board concurred with the views of the NC on the independence of the IDs. Each of the IDs had abstained from deliberating and deciding on his own independence.

CORPORATE GOVERNANCE REPORT

The Company was listed on the SGX-ST on 3 November 2011 and none of the IDs have served on the Board for more than nine (9) years. The Company will ensure its compliance, where necessary, to Rule 210(5)(d)(iv) of the Listing Manual, which provides that a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine (9) years (whether before or after listing).

Directors' time commitments and multiple Directorships

In the event that a Director has multiple board representations or other principal commitments, the NC will determine whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company.

No maximum number of listed company directorships has been fixed as time requirements are subjective and the NC recognises that its assessment of each Director's ability to discharge his or her duties adequately should not be confined to the sole criterion of the number of his or her board representations, as evident from the attendance records as disclosed under Board processes, including Directors' attendance at meetings in Principle 1 above. Thus, in assessing each Director's ability to discharge his or her duties diligently and adequately, the Board will also consider, amongst other factors, contributions by Directors during Board and Board Committees' meetings, and their attendance at such meetings, in addition to each of their principal commitments set out in the "Board of Directors" section of this annual report.

The NC would generally avoid recommending to the Board the appointment of alternate Directors. It holds the view that alternate Directors should only be appointed for limited periods in exceptional cases such as when a Director has a medical emergency. If the appointment of an alternate Director is deemed necessary, the NC would ensure that the alternate Director is appropriately qualified, knows the duties and responsibilities of a Director, and is familiar with the Group's business affairs. No alternate Director was appointed to the Board in FY2024.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Assessments of the Board, the Board Committees and individual Directors

The Board has implemented a set of objective performance criteria and process for the NC to assess the effectiveness of the Board and its Board committees through a confidential questionnaire (covering areas such as the effectiveness of the Board and its Board committees in its monitoring role and the ability to attain strategic and effective risk management, the Board and its Board committees' response to problems and crisis etc. and long-term objectives set out by the Board) which is completed by each Director individually. The performance criteria and process have been endorsed by the NC and the Board.

The assessment of individual Directors is done through self-assessment as well as peer-assessment on areas such as the contribution of each individual Director to the effectiveness of the Board, whether each Director continues to contribute effectively and demonstrate commitment to the role, in each case through a confidential questionnaire completed by each Director individually.

A summary of the completed assessment questionnaires is compiled by the Company Secretary(ies) and is submitted to the NC for their review and then presented to the Board. The Board will act on the results of the performance evaluation, and, in consultation with the NC, proposes the re-election of Directors, and where appropriate, new members to be appointed to the Board or seek the resignation of Directors who are not able to commit their time and contribute effectively to the Board.

CORPORATE GOVERNANCE REPORT

The Board, Board committees and individual Directors' evaluations for FY2024 were conducted in February 2025 in accordance with the procedures adopted by the Board. No external facilitator/consultant was engaged to assist with this performance evaluation exercise. The Board was satisfied that the Board as a whole and its Board committees were effective and that each Director had demonstrated their commitment to and had contributed to the effective functioning of the Board and the Board committees.

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

RC's duties and composition

The RC has been constituted to recommend to the Board a framework of remuneration for the Directors and key management personnel, and to determine specific remuneration packages for each Director and the key management personnel. The RC comprises the following three Directors, all of whom, including the chairman of the RC, are non-executive and independent:

Datuk Koong Lin Loong – Chairman (ID)
Michael Chai Woon Chew – Member (Lead ID)
Sam Chong Keen – Member (ID)

The RC is regulated by a set of written terms of reference, endorsed by the Board, setting out their duties and responsibilities, which include, among other things:

- ensuring a formal and transparent procedure for developing policies on executive remuneration;
- reviewing and recommending to the Board a general framework of remuneration for the Board and Management;
- reviewing and recommending to the Board the specific remuneration packages for each of the Directors and key management personnel, which is submitted for approval by the Board; and
- reviewing the Company's obligations arising in the event of termination of key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The principal activities of the RC during FY2024 are summarised below:

- (a) reviewed and recommended the remuneration of EDs and key management personnel of the Group and those employees who are substantial shareholders of the Company, or are immediate family members of any Director or a substantial shareholder of the Company (if any) for the financial year under review; and
- (b) reviewed and recommended Directors' fees.

Remuneration framework and engagement of remuneration consultants, if any

In reviewing the Directors' fees and the key management personnel's compensation packages, the RC will consider all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind. The RC member will abstain from deliberating and voting on his/her own remuneration. The RC will seek expert advice on remuneration matters if necessary. No external consultant was engaged to advise on remuneration matters in FY2024.

CORPORATE GOVERNANCE REPORT

The termination clauses in the contracts of service of key management personnel are fair and reasonable, and not overly generous. The RC aims to be fair in rewarding the key management personnel and is cautious not to reward poor performance.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objective of the company.

Level and mix of remuneration

The Company sets key performance indicators (“**KPIs**”) for the key management personnel. A portion of the compensation package is subject to the key management personnel meeting the set KPIs. The RC seeks to achieve a level and mix of remuneration that is able to attract, retain and motivate the key management personnel to manage the company for the long term, and to ensure that a significant and appropriate proportion of the remuneration is structured so as to link rewards to corporate and individual performance. This is to align the interests of the key management personnel with those of shareholders and other stakeholders and to promote and ensure the long-term success of the Company.

Framework for remuneration of EDs and key management personnel

At the moment, the Company and its subsidiaries do not have any contractual provisions to reclaim the incentive components of remuneration from key management personnel in exceptional circumstances, including for example, misstatement of financial results or misconduct resulting in financial loss to the Company.

The EDs do not have employment relationship or any service contracts with the Group and/or the Company. They receive basic Directors’ fees from the Company in the same manner as the NEDs.

Remuneration of NEDs

The NEDs do not have any service contracts. They are paid a basic fee and an additional fee for serving on the AC, which is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities. The RC is also mindful of not over-compensating the NEDs to the extent that their independence may be compromised. The Directors’ fees are subject to approval by shareholders at the AGM. Except as disclosed, the NEDs do not receive any other remuneration from the Company for their Board service.

The Directors’ fee structure is as follows:

Fee Structure (annual basis) for FY2025		
Board	Audit Committee	
Members	Chairman	Members
S\$33,000	S\$6,000	S\$3,000

The fee payable will be prorated accordingly if a Director occupies the position for part of the financial year only.

The RC had recommended to the Board a maximum amount of S\$250,000 as the total Directors’ fees to be paid for the financial year ending 31 December 2025 payable quarterly in arrears (FY2024: S\$250,000). This recommendation will be tabled for shareholders’ approval at the AGM.

CORPORATE GOVERNANCE REPORT

Principle 8: Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Director's remuneration/fees and remuneration of the EDs

A breakdown, showing the level and mix of each individual Director's remuneration for FY2024 is as follows:

	Fee & Allowance	Salary	Variable Bonus	Contribution to Defined Contribution Plan	Benefits	Total	Total
	%	%	%	%	%	%	S\$'000
Executive Directors							
Tan Sri Cheng Heng Jem	100	-	-	-	-	100	34.5
Cheng Hui Yuen, Vivien	100	-	-	-	-	100	35.0
Non-Executive Directors							
Michael Chai Woon Chew	100	-	-	-	-	100	41.0
Datuk Koong Lin Loong	100	-	-	-	-	100	37.5
Sam Chong Keen	100	-	-	-	-	100	38.0
							186.0

The remuneration (individually within the band of S\$250,000) of the top four key management personnel for FY2024 (excluding the Directors and the Group CEO) is disclosed in the table below:

	Salary	Variable Bonus	Contribution to Defined Contribution Plan	Benefits	Total
	%	%	%	%	%
Key Management Personnel					
Law Boon Eng	62	31	4	3	100
Natalie Cheng Hui Yen	65	21	10	4	100
Chong Lee Mei	70	19	11	-	100
Jocelyn Tee Chiew Ying	75	14	11	-	100

The Board is cognisant of the requirements under Provision 8.1(b) of the Code for listed issuers to disclose the breakdown of the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000. Notwithstanding Provision 8.1(b) of the Code, as there were only four key management personnel (who are not directors or the CEO) during FY2024, disclosure is only made in respect of the remuneration of these four key management personnel. After careful consideration, the Board had decided and is of the opinion that it is in the best interests of the Group not to fully disclose the breakdown of the remuneration of the top four key management personnel in view of the confidentiality of remuneration matters and as the Board believes that such disclosure may be prejudicial to the Group's business interests given the competitive environment it is operating in as well as the disadvantages this might bring. Instead, the disclosures have been provided in applicable band of S\$250,000 above, with a breakdown in percentage of the remuneration earned through salary, variable bonus, contribution to defined contribution plan and other benefits.

CORPORATE GOVERNANCE REPORT

For FY2024, the aggregate total remuneration paid to the top four key management personnel (excluding the Directors) was S\$598,000.

Despite having varied from provision 8.1(b) of the Code, the Board is of the view that consistent with the intent of principle 8 of the Code, information provided in this Corporate Governance Report regarding the Company's remuneration policies is sufficient to enable shareholders to understand the link between remuneration paid to the top four key management and their performance, including, specifically, details in relation to the setting of key performance indicators for key management personnel and how this affects their remuneration package. The Company is accordingly of the view that the above disclosure of the top four key management does not compromise the ability of the Company to meet with the requirement of having good corporate governance, especially considering that the RC also reviews the remuneration package of such key management personnel to ensure that they are fairly remunerated.

Remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO (if applicable) or a substantial shareholder of the company

Ms Cheng Hui Yen, Natalie, who is the daughter of Tan Sri Cheng, the Executive Chairman and a substantial shareholder, has an employment relationship with a subsidiary of the Company, and has received remuneration (comprising salary, variable bonus, contribution to defined contribution plan and other benefits) within the band of S\$100,000 to S\$150,000 in FY2024. The basis for determining her remuneration was the same as the basis for determining the remuneration of other employees. Save as disclosed, there are no employees who have relationship with the Directors, CEO or substantial shareholder.

Details of employee share schemes

The Parkson Retail Asia Limited Employee Share Option Scheme (the "ESOS"), representing share-based incentive options of the Company, adopted by the Company on 12 October 2011 had expired on 11 October 2021. The ESOS was in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of the Company's shareholders and of any relevant authorities which may be required. Further details of the ESOS have been provided in the Company's prospectus dated 27 October 2011. The Company has not granted any share options under the ESOS.

There are no existing or proposed service agreements entered into or to be entered into by the Company or any of its subsidiaries with any of the Directors or key management personnel which provides for benefits (in the form of stock options, pensions, retirement or other benefits) upon termination of employment, retirement or post-employment.

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Maintenance of a sound risk management system and internal controls

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the governance of risk, including the nature and extent of the significant risks that the Company is willing to take. The Board oversees the Company's risk management framework and policies, and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the Company's shareholders' investments and the Company's assets. The Board continuously reviews its risk assessment process with a view to improve the Company's internal control system where required.

CORPORATE GOVERNANCE REPORT

The Company maintains a tailored governance structure with defined lines of responsibility and appropriate delegation of responsibility and authority to Management.

The Board regards risk management as an integral part of business operations and delegates responsibility for the Group's risk governance to the AC. A Corporate Risk Management System implementing an Enterprise Wide Risk Management Framework ("**CRMS-ERM**") was developed, enhanced and documented. The CRMS-ERM Manual sets out in a comprehensive manner the process adopted by the Group towards risk identification, evaluation, treatment, risks appetite setting, control, tracking and monitoring of strategic, business, financial and operational risks. Management plays a pivotal role in overseeing the implementation of the risk management framework, periodically reviewing the risk management scorecards and reporting the status to the AC. Management also assesses all material and key risks associated with the Group's businesses and operations as well as corporate proposals.

For FY2024, the AC received the Risk Management Report on a half-yearly basis and the key risks were discussed at the AC meetings where the Risk Management Report is presented.

The internal audit team performs detailed work to assist the AC in the evaluation of internal controls, financial and accounting matters, compliance, business and financial risk management including controls in the critical IT system.

Written assurance regarding (i) financial records and financial statements; and (ii) adequacy and effectiveness of the Group's Internal Control and Risk Management Systems

As the position of the Group CEO is currently vacant, the Board has received written assurance:-

- (a) from the Executive Chairman and the CFO that as at FY2024, the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) from the Executive Chairman, the CFO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Group's risk management and internal control systems in addressing key financial, operational, compliance and information technology risks.

Rule 1207(10) of the Listing Manual

The Board, with the concurrence of the AC, is of the opinion that, based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by the Management, the various Board committees and the Board and the written assurance from the Executive Chairman and the CFO, the Group's risk management and internal controls systems addressing key financial, operational, compliance and information technology controls, and risk management systems were adequate and effective as at 31 December 2024 and where certain weaknesses were identified, these have been addressed by the Management. No material weaknesses were identified for FY2024.

It should be noted that the system of internal controls and risk management can provide only reasonable, but not absolute, assurance against financial misstatements or loss, and of safeguarding of assets, maintenance of proper accounting records, reliability of financial information and compliance with all relevant legislation. The Board will continue its on-going risk assessment process with a view to improve the Company's internal controls system.

CORPORATE GOVERNANCE REPORT

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

Duties and composition of the AC

The AC comprises the following three Directors, all of whom, including the chairman of the AC, are non-executive and independent:

Michael Chai Woon Chew – Chairman (Lead ID)

Datuk Koong Lin Loong – Member (ID)

Sam Chong Keen – Member (ID)

The AC is regulated by a set of written terms of reference endorsed by the Board, setting out their duties and responsibilities, which include, among other things:

- reviewing the significant financial reporting issues and judgements to ensure the integrity of the financial statements and any formal announcements relating to the Company's financial performance;
- reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditor;
- reviewing and reporting to the Board, at least annually, on the adequacy and effectiveness of the Group's internal controls and risk management systems addressing key financial, operational, compliance and information technology controls, including procedures for entering into hedging transactions, and risk management policies and systems established by Management ("**internal controls and risk management systems**"), ensuring that such review of the effectiveness of the internal controls and risk management systems is conducted at least annually;
- reviewing the assurances received from the Executive Chairman and the CFO on the financial records and financial statements;
- reviewing, with the external auditor, the adequacy, effectiveness, independence, scope and results of the external audit, including the external auditor's evaluation of the system of internal accounting controls in the course of the audit of the Group's financial statements;
- reviewing the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by the Board;
- reviewing the adequacy, effectiveness, independence, scope and results of the Group's internal audit function;
- appraising and reporting to the Board on the audits undertaken by the external auditor and internal auditor, the adequacy of disclosure of information, and the appropriateness and quality of the system of management and internal controls; and
- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor.

In addition to the duties listed above, the AC is responsible for reviewing the policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken.

CORPORATE GOVERNANCE REPORT

The AC is also authorised by the Board to investigate any matter within its terms of reference and has full access to, and co-operation of Management. It also has full discretion to invite any Director or executive officer to attend its meetings. It has adequate resources to enable it to discharge its functions properly.

The Board is of the view that all the members of the AC are appropriately qualified to discharge their responsibilities:

- Mr Michael Chai, the AC Chairman, is a partner of a legal firm serving a wide range of large multinationals, public limited companies as well as private businesses, financial institutions and individuals.
- Datuk Koong is the Managing Partner of Reanda LLKG International and the CEO of K-Konsult Taxation Sdn Bhd.
- Mr Sam, having held in senior/CEO positions in various companies/industries, has a wealth of management experience.

Please refer to the profile of the Directors in the “Board of Directors” section in this Annual Report.

The AC does not comprise former partners or directors of the Company’s existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC held four meetings in FY2024. All of these meetings were attended by the key management personnel at the invitation of the AC. The Group’s external auditor was also present at these meetings.

The principal activities of the AC during FY2024 are summarised below:

- a. met with the external and the internal auditors without the presence of the EDs and Management at least once in FY2024 (i.e., on 23 February 2024);
- b. reviewed the Group’s quarterly and full-year results announcement, the financial statements of the Company and the consolidated financial statements of the Group and the auditor’s report on the annual financial statements of the Group and Company for FY2024 prior to making recommendations to the Board for approval;
- c. reviewed the announcement on quarterly update pursuant to Rule 1313(2) of the Listing Manual prior to the exit of the Company from the Watch-List of the SGX-ST on 4 October 2024;
- d. reviewed the audit plan and audit report of the internal auditors and external auditors and assessed the adequacy of the internal control and risk management systems as well as the level of the co-operation given by Management to the internal auditors and the external auditors;
- e. reviewed the breakdown of audit and non-audit services provided by the external auditors for the financial period under review to determine if the provision of such non-audit services would affect the independence of the external auditors and to obtain confirmation of independence from the external auditors;
- f. recommended to the Board for re-appointment of external auditors for the ensuing year;
- g. received the Risk Management Report and reviewed key risks;
- h. reviewed whether the internal audit function is independent, effective and adequately resourced;

CORPORATE GOVERNANCE REPORT

- i. considered the adequacy and effectiveness of the Group's internal control and risk management systems for the financial period under review. Where any material weaknesses are identified, reviewed the steps taken to address them;
- j. reviewed whistle blowing reports, if any; and
- k. reviewed the Group's IPTs to ensure that the transactions were carried out on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

The AC members also kept abreast of the changes to accounting standards and issues which have a direct impact on financial statements through periodic meetings with the external auditor and opportunities to attend external seminars at the Company's expense.

The AC, having reviewed the audit and non-audit fee of the external auditor, Foo Kon Tan LLP, for FY2024, is of the opinion that the independence or objectivity of the external auditor is not compromised in this regard. The external auditor has affirmed its independence in this respect. The aggregate amount of fees paid/payable by the Group to the Company's external auditor are as follows:-

	31 December 2024	
	S\$'000	%
Audit services	178	97
Non-audit services	5	3
	183	100

The Board and the AC, having reviewed the adequacy of the resources and experience of Foo Kon Tan LLP, the audit engagement partner assigned to the audit, Foo Kon Tan LLP's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, were satisfied that the Group had complied with Rule 712 of the Listing Manual.

The AC has recommended the re-appointment of Foo Kon Tan LLP as external auditor at the Company's forthcoming AGM.

Pursuant to Rule 716 of the Listing Manual, the AC and Board confirmed that they are satisfied that the appointment of different auditors for certain of its subsidiaries as disclosed under Note 5 of the notes to financial statements would not compromise the standard and effectiveness of the audit of the Group.

Accordingly, the Company confirms that it has complied with Rules 712 and 715 or 716 of the Listing Manual in relation to its auditors. Please refer to the "Corporate Information" section in this Annual Report for the details of auditors of the Company.

Whistle blowing (Rule 1207(18A) and (18B) of the Listing Manual)

To achieve a high standard of corporate governance for the operation of the Group, the Group has implemented a whistle-blowing policy. Details of the whistle-blowing policies and arrangements have been made available to all employees, suppliers and customers. The policy provides channels through which staff and stakeholders can raise concerns on financial reporting improprieties and other matters.

CORPORATE GOVERNANCE REPORT

The AC is responsible for oversight and monitoring of whistle-blowing and ensures that such concerns are independently investigated and that appropriate follow-up action will be taken. Further to this, the Group has also put in place a Code of Conduct for Vendors, which also requires them to make declaration on an annual basis that they have read the Code of Conduct and that they are in compliance. For the customers, the Company has placed boxes in strategic locations within the department stores for them to provide their feedback and comments.

Whistle blowers may write to the Chairman of the AC, to communicate any information about fraudulent actions and breaches of ethics directly and anonymously using the whistleblowing email of the ID via whistleblowing@parkson.com.my. The Group ensures that the identity of the whistle blower is kept confidential unless the disclosure of the identity is required by any applicable law. The Group also commits to ensure protection of the whistle blower against detrimental or unfair treatment.

Internal Audit and Rule 1207(10C) of the Listing Manual

The internal audit department (“**IAD**”) is a department independent of Management. The chief auditor of the IAD (“**Chief Auditor**”) has a direct and primary reporting line to the Chairman of the AC. As the position of Group CEO is currently vacant, the Chief Auditor reports administratively to the ED. The AC approves the hiring, removal, evaluation and compensation of the Chief Auditor.

The internal audit team, which is independent of the Group’s daily operations and accounting functions, has unfettered access to all of the Group’s documents, records, properties and personnel. The Chief Auditor is responsible for establishing the Group’s internal control framework, covering all material controls including financial and accounting matters, operational and compliance controls. The internal control framework also provides for identification and management of risk, including controls in the critical IT system. The internal audit team is adequately resourced and staffed with persons with the relevant qualifications and experience. For FY2024, the number of internal audit personnel was five (5), comprising members of Associated of Chartered Certified Accountants, the Institute of Internal Audit Malaysia and degree holders from background such as accounting, finance and audit.

All internal audit activities of the Group are guided by the International Professional Practices Framework of Internal Auditing, the Internal Audit Charter approved by the AC of the Board as well as policies and procedures of the Group.

An annual risk-based internal audit plan is presented by IAD to the AC for approval after having reviewed the adequacy of the scope, functions and resources of IAD as well as the competency of the internal auditor. IAD adopts a risk-based approach and prepares its plan based on the risk profiles of the auditable units in alignment with the strategic objectives of the Group.

The Chief Auditor formulates the engagement plans based on the approved annual internal audit plan with a team of auditors, conducts periodic independent reviews on the operations of individual divisions to identify any irregularity and risk, develops action plans and recommendations to address the identified risks, and reports to the AC on any key findings and progress of the internal audit process. The AC, in turn, reports to the Board on any material issues and makes recommendations to the Board.

The AC reviews the independence, adequacy and effectiveness of the internal audit function on a quarterly basis when the AC receives the internal audit report at the quarterly AC meetings.

For FY2024, the AC is satisfied that the internal audit function was independent, effective and adequately resourced, with appropriate standing within the Group.

CORPORATE GOVERNANCE REPORT

Principal 11: Shareholder Rights and Conduct of General Meetings

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected.

The Company is committed to providing shareholders with adequate, timely and sufficient information relating to changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares.

Participation and voting at general meetings of the shareholders

General meetings of the Company are the main channel where shareholders could interact with Directors, Management and the external auditors, to understand the Group's business and also for the Company to understand shareholders' concerns or their views.

The Company will ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders will be informed of rules, including voting procedures that govern general meetings of shareholders.

The Company has also put in place arrangements to allow authenticated shareholders and proxy(ies) will be able to ask questions in person at the general meetings. Arrangements have also been put in place to permit shareholders to submit their questions ahead of the AGM.

A shareholder who is unable to attend the general meeting may appoint a proxy(ies) to vote on his/her behalf. Pursuant to the amendments to the Companies Act 1967, a member which is a relevant intermediary (as defined in the Companies Act 1967), which generally includes Singapore banks and nominee or custodial service providers, as well as the Central Provident Fund Board, may appoint more than two proxies to attend, speak and vote at the AGM, provided that each appointed proxy represents a different share or shares held by such member. Other shareholders are allowed to appoint up to two proxies to attend the general meetings.

At the general meetings, separate resolutions will be proposed for each subject matter/issue respectively. The Company will generally avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. Where the resolutions are 'bundled', the Company will explain the reason and material implications in the notice of meeting.

The Directors and the Chairman of the AC, NC and RC, or members of the respective Board committees standing in for them are present at the AGM to address shareholders' queries. The external auditor is also invited to attend the AGM and is available to assist the Directors in addressing any relevant queries by shareholders relating to the conduct of the audit and the preparation and contents of the auditor's report. The Directors' attendance at the general meetings of the Company held in 2024 is disclosed under provision 1.5 above.

Appropriate senior management personnel/members are also present at general meetings to respond, if necessary, to operational questions from shareholders.

All the resolutions put to the vote at the forthcoming AGM will be voted on by poll and the detailed results of the poll will be announced via SGXNet. Polling may be conducted in manual or electronic form. In determining which polling mode to take, the Company will take into consideration the historical expected turnout at general meetings and the relevant costs involved for each polling mode.

CORPORATE GOVERNANCE REPORT

Independent scrutineers are appointed to conduct the voting process. The independent scrutineer briefs the shareholders on the e-polling voting process and verify and tabulate votes after each resolution. The results of the voting at the general meetings showing the number of votes cast for and against each resolution and the respective percentages are shown to the shareholders at the end of each resolution before the chairman of the meeting makes a declaration on the passing (or not) of the resolution. In addition, the voting results at the general meetings and the name of the independent scrutineer will be announced via SGXNET immediately after each general meeting.

The Company will also prepare minutes of general meetings that include substantial comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management, and will make such minutes available to shareholders by posting the minutes on the SGXNET and the Company's website at <http://www.parkson.com.sg/investor-relations/announcements/> within one month after the general meeting.

Dividend Policy

The Board does not have a fixed dividend policy at present. The form, frequency and amount of interim/final dividends to be declared each year will be decided/recommended by the Board after taking into consideration the Group's profit, growth, cash position, positive cash flows generated from operations, projected capital requirements for the Group's business growth, general business conditions, and other factors as the Board may deem appropriate.

No dividend has been declared in FY2024 in view of that the Group and the Company are currently in net current liabilities and accumulated losses position.

Principal 12: Engagement with Shareholders

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company values dialogue with its shareholders. The Company believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' views and addressing their concerns, where possible, through analyst briefings, investor roadshows or investors' day briefings. The Company does not have an Investor Relations department. The investor relations functions are performed by the Executive Chairman/Director and CFO.

The Company's investor relations policy is that all shareholders should be equally informed of all major developments and events that impact the Company in a timely manner. Results and annual reports are announced or issued within the mandatory period as prescribed under the Listing Rules. Briefings for the full year results are conducted for analysts and institutional investors, if necessary, following the release of the results on SGXNet. Presentations are made, as appropriate, to explain the Group's strategy, performance and major developments. All analysts' and institutional investors' briefing materials are made available to shareholders on SGXNet. In the event that inadvertent disclosure is made to a select group, the Company will ensure that the same disclosure is announced to the public via the SGXNet.

The Board welcomes the view of shareholders on matters affecting the Group, whether at shareholders' meetings or on an ad-hoc basis. Other than communicating with members of the Board and key management personnel at general meetings, the shareholders may contact the Company through corpcomm@parkson.com.my on any investor relations matters. The Company strives to respond within 3 to 5 working days upon receipt of these emails. The Company's website at www.parkson.com.sg is another channel to solicit and understand the views of the shareholders.

CORPORATE GOVERNANCE REPORT

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Identification and engagement with material stakeholder groups, including managing relationships with such groups

The Company regularly engages with its stakeholders through various channels to ensure that the Group's business interests are aligned with those of its stakeholders, and to understand and address any concerns that stakeholders may have so as to improve the Group's businesses. The stakeholders of the Group have been identified as parties who are impacted by the Group's businesses and operations, including employees, customers, suppliers/vendors, shareholders and investors, government and regulators, and the community.

The Company has in place a sustainability policy ("**SR Policy**") covering the Group's sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring the material environmental, social, governance ("**ESG**") factors which are important to stakeholders. Under the SR Policy, the material ESG factors are monitored, reviewed and updated from time to time by the Board, taking into account the feedback received from the Group's engagement with its stakeholders, organizational and external developments. The sustainability report will also set out the key areas of focus in relation to the management of stakeholder relationships during the reporting period. A copy of the SR Policy is posted on the Company's website at <http://www.parkson.com.sg/investor-relations/sustainability-reports/>.

Dissemination of material information and Corporate website

All material information, including financial results announcements, would be disclosed and announced through SGXNet in a timely manner. The Company does not practice selective disclosure. In the event that inadvertent disclosure is made to a select group, the Company will ensure that the same information is disclosed to the public via the SGXNet. Released announcements on the financial results and the past Annual Reports are available on the Company's website at www.parkson.com.sg. The website is updated regularly and provides information on the Group and the Company which serves as an important resource for investors and stakeholders.

ADDITIONAL INFORMATION

DEALINGS IN SECURITIES

The Group has adopted an internal code on securities trading which provides guidance and internal regulation with regard to dealings in the Group's securities by its Directors and officers that take into account the best practices on dealings in securities under Rule 1207(19) of the Listing Manual as well as insider trading laws in Singapore. The Group's internal code prohibits its Directors and officers from dealing in listed securities of the Group (including share buyback) while in possession of unpublished material or price-sensitive information in relation to such securities and during the "closed period", which is defined as two weeks before the date of announcement of results for each of the first three quarters of the Group's financial year and one month before the date of announcement of the full year financial results. Directors and officers are also prohibited from dealings in the Group's securities on short-term considerations.

MATERIAL CONTRACTS

Other than as disclosed, there are no material contracts of the Group involving the interests of any Director or controlling shareholder entered into during the financial year that is required to be disclosed under the Listing Rules.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

All IPTs will be documented and submitted quarterly to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and not prejudicial to the Company.

The AC has reviewed the IPTs for FY2024. The aggregate value of the material IPTs between the Group and the interested persons for FY2024 are as follows:-

Name of interested person	Nature of Relationship	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Lion Corporation Berhad ⁽¹⁾	Associate of Tan Sri Cheng Heng Jem, a director and controlling shareholder of the Company (" Tan Sri Cheng ")	-	3,415
Parkson Holdings Berhad Group ⁽²⁾	Associate of Tan Sri Cheng	106 ^{(i)*}	3,265 ⁽ⁱⁱ⁾
Lion Posim Berhad ⁽³⁾	Associate of Tan Sri Cheng	-	342
Visionwell Sdn Bhd ⁽⁴⁾	Associate of Tan Sri Cheng	-	197

Notes:

- (1) (a) Marketing fee payable for bonus points issued and amount received/receivable for point redemption made by cardholders totaling S\$3.2 million; and
 (b) Purchase of goods and security equipment, and procurement of security service totaling S\$0.215 million;
- (2) (i) Royalty expense totaling S\$0.106 million.
 (ii) (a) Management fee income totaling S\$0.480 million;
 (b) Net purchase of merchandise, concessionaire sales and sale of gift vouchers totaling S\$2.785 million;
- (3) Purchase of building materials and merchandise and sale of gift vouchers.
- (4) Rental of office space.

* Royalty expense payable to Parkson Holdings Berhad Group had at the EGM held on 29 April 2022 been approved by shareholders as specific IPTs. Accordingly, such IPTs would be regarded as mandated specific IPTs with effect from April 2022.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The directors are pleased to present their statement to the members together with the audited financial statements of Parkson Retail Asia Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2024.

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, having regards to the information as disclosed in Note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors of the Company in office at the date of this statement are:

Tan Sri Cheng Heng Jem
Cheng Hui Yuen, Vivien
Michael Chai Woon Chew
Datuk Koong Lin Loong
Sam Chong Keen

Arrangements to enable directors to acquire benefits by means of the acquisition of shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Directors' interest in shares or debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Act, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Number of ordinary shares			
	Direct interest		Deemed interest	
	As at	As at	As at	As at
	1.1.2024	31.12.2024	1.1.2024	31.12.2024
The Company - <u>Parkson Retail Asia Limited</u> (Number of ordinary shares)				
Tan Sri Cheng Heng Jem	500,000	500,000	457,933,300	457,933,300
The ultimate holding company - <u>Parkson Holdings Berhad</u> (Number of ordinary shares)				
Tan Sri Cheng Heng Jem	286,923,039	286,923,039	339,994,089	339,994,089
Related corporation - <u>Parkson Retail Group Limited</u> (Number of ordinary shares of HKD0.02 each)				
Tan Sri Cheng Heng Jem	-	-	1,448,270,000	1,448,270,000

The immediate holding company of the Company is East Crest International Limited ("ECIL"). Parkson Holdings Berhad ("PHB") is the sole shareholder of ECIL and as such, is deemed to be interested in the shares of the Company held by ECIL. Tan Sri Cheng Heng Jem has a direct interest in 24.97% and a deemed interest in 29.60% of the voting shares in PHB, and as such by virtue of his control of the exercise of not less than 20.0% of the votes attached to the voting shares in PHB, is deemed to be interested in the shares of the Company held by ECIL.

By virtue of Section 7 of the Act, Tan Sri Cheng Heng Jem is deemed to be interested in the shares held by the Company in its subsidiaries.

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2025.

Share options

No options to take up unissued shares of the Company or any subsidiaries have been granted during the financial year.

No shares were issued during the financial year to which this report relates by virtue of the exercise of the options to take up unissued shares of the Company or any subsidiary.

There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Audit Committee

The Audit Committee during the financial year and at the date of this statement comprises the following members, all of whom are independent and non-executive directors of the Company:

Michael Chai Woon Chew (Chairman)
Sam Chong Keen
Datuk Koong Lin Loong

The Audit Committee performs the functions set out in Section 201B(5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. The functions performed are detailed in the Corporate Governance Report in the Annual Report.

In appointing the auditors of the Company, the subsidiaries and the significant associated companies, Rules 712 and 715 of the SGX Listing Manual have been complied.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

.....
TAN SRI CHENG HENG JEM

.....
CHENG HUI YUEN, VIVIEN

Dated: 26 March 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARKSON RETAIL ASIA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Parkson Retail Asia Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARKSON RETAIL ASIA LIMITED

Key Audit Matters (Cont'd)

Key Audit Matter	Our responses and work performed
<p><u>Impairment assessment of property, plant and equipment and right-of-use assets</u></p> <p>The Group operates department stores in Malaysia. The carrying amounts of the property, plant and equipment and right-of-use assets of the Group are SGD20,813,000 (2023 - SGD17,448,000) and SGD128,567,000 (2023 - SGD130,435,000), representing 13% (2023 - 11%) and 80% (2023 - 83%) respectively of total non-current assets of the Group as at 31 December 2024.</p> <p>The Group's property, plant and equipment and right-of-use assets as at 31 December 2024 are mainly held by a subsidiary, Parkson Corporation Sdn Bhd ("PCSB"), which operates in Malaysia.</p> <p>On an annual basis, management is required to assess for indications of impairment or indications for reversal of impairment losses recognised in prior period that may no longer be required. Having considered the performance of certain individual stores identified as separate cash-generating units ("CGU"), management performed impairment testing with respective assets of those stores.</p> <p>The impairment assessment requires management to make assumptions in the underlying cash flow forecast and projections. The assumptions include expectations for budgeted gross margin, revenue growth rates and discount rates and cost of debt (pre-tax), as well as the overall market and economic conditions.</p> <p>Management has recognised a net reversal of impairment loss on property, plant and equipment and right-of-use assets of SGD251,000 (2023 - Nil) and SGD870,000 (2023 - Nil) respectively for the current financial year.</p> <p>We have identified the impairment assessment performed on the Group's property, plant and equipment and right-of-use assets to be a Key Audit Matter due to the significant judgement and assumptions applied in arriving at the estimates used in computing the recoverable values of these assets and the uncertainties which arise as a result of having to consider long-term trends and market conditions and their impact on the key assumptions used.</p> <p>The Group's disclosures for property, plant and equipment and right-of-use assets are included in Note 4 and Note 20 to the financial statements respectively.</p>	<p>Our review of the impairment assessment included the following procedures, amongst others:</p> <ul style="list-style-type: none"> - we performed a review of the relevant audit working papers of the identified risks for which we instructed and coordinated the work of our component auditors in addressing the significant misstatements relating to the impairment assessment; - we assessed the appropriateness of the management's identification of CGU; - where impairment or reversal of impairment indicators of assets related to the individual department stores were identified, <ul style="list-style-type: none"> - we evaluated the reasonableness of management's key assumptions underlying the VIU computation such as budgeted gross margin, revenue growth rates, discount rate and cost of debt (pre-tax); - we compared the actual results of the stores against forecast previously made by management and taking into consideration the viability of the stores' future plans, local economic development and industry outlook; - we performed a review of the reversal of impairment losses which involved recalculating the carrying amount of the CGU that would have been determined had no impairment loss been recognised in prior years; - we reviewed the auditor's expert's work in assessing the appropriateness of the valuation methodologies, assumptions and reasonableness of estimates used by the management's expert; - we performed sensitivity analysis over the assumptions, estimates and its measurement against source data and appropriate external sources, where appropriate; - we assessed and evaluated whether the management's expert has the necessary competence, capability and objectivity for the required purposes; - we assessed the competency, capability and objectivity of the auditor's expert; and - we also considered the adequacy of the Group's disclosures made to the financial statements in relation to the impairment or reversal of impairment losses of property, plant and equipment and right-of-use assets.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARKSON RETAIL ASIA LIMITED

Key Audit Matters (Cont'd)

Key Audit Matter	Our responses and work performed
<p><u>Impairment assessment of investments in subsidiaries (Parent company only)</u></p> <p>As at 31 December 2024, the Company has significant investment of SGD117,580,000 (2023 - SGD110,759,000) in a subsidiary, PCSB which operates department stores in Malaysia.</p> <p>On an annual basis, management is required to assess for indications of impairment to determine if impairment assessment should be carried out. As the net tangible assets of PCSB is less than the carrying amount of the Company's investment in PCSB, the management carried out an impairment assessment of the recoverability of the cost of investment in PCSB as at 31 December 2024.</p> <p>Management's impairment assessment involves estimation and judgement relating to the assumptions used in profit forecast and discounted cashflows.</p> <p>Key assumptions and estimates used in the cash flow projections included pre-tax discount rates, budgeted gross margins, terminal growth rate and revenue growth rates. Thus, we have identified this as a Key Audit Matter.</p> <p>No impairment loss has been provided for the financial year ended 31 December 2024.</p> <p>The Group's disclosures on investments in subsidiaries of the Company are included in Note 5 to the financial statements.</p>	<p>Our review of the impairment assessment of investments in subsidiaries of the Company included the following procedures, amongst others:</p> <ul style="list-style-type: none"> - we assessed the reasonableness of the assumptions used in the cash flow projections approved by the board of directors; - we held discussions with management and the auditors of PCSB to obtain an understanding of assumptions used in the cash flow projections; - we evaluated the reasonableness of the assumptions used by management in their cash flow projections, which included key assumptions such as pre-tax discount rates, budgeted gross margins, terminal growth rate and revenue growth rate, a comparison of the historical performance of the subsidiary against forecasts, and considering the viability of future plans, local economic conditions and industry outlook; - we assessed and evaluated whether the management's expert has the necessary competence, capability and objectivity for the required purposes; - we assessed the competency, capability and objectivity of the auditor's expert; and - we also considered the adequacy of the Group's disclosures made to the financial statements in relation to the impairment of investment in subsidiaries held by the Company.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARKSON RETAIL ASIA LIMITED

Key Audit Matters (Cont'd)

Key Audit Matter	Our responses and work performed
<p><u>Recoverability of advances to subsidiaries (Parent Company only)</u></p> <p>The Company recorded non-trade amounts due from subsidiaries of SGD16,774,000 (2023 - SGD8,598,000) as at 31 December 2024. During the financial year ended 31 December 2024, the Company, through Parkson Corporation Sdn Bhd ("PCSB"), has made advances totalling SGD7,304,000 (RM25 million) to two other subsidiaries, Parkson Lifestyle Sdn Bhd ("PLSB") and Solid Gatelink Sdn Bhd ("SGSB"). The Company recorded advances owing to PCSB of SGD7,304,000 under current "trade and other payables" (Note 16) and advances due from PLSB and SGSB of the same amount under current "trade and other receivables" (Note 8).</p> <p>The management has carried out an impairment assessment as to the recoverability of advances to these subsidiaries and has provided expected credit losses totalling SGD3,457,000 (2023 - Nil) for these advances to PLSB and SGSB in the financial year ended 31 December 2024. As at 31 December 2024, the Company recorded allowances for expected credit losses of SGD12,609,000 (2023 - SGD8,598,000 for the non-trade amount due from subsidiaries).</p> <p>We have identified recoverability of advances to subsidiaries as a Key Audit Matter as it involved significant accounting estimates in the evaluation of the collectability of advances by management.</p> <p>The Group's disclosures on advances to subsidiaries of the Company are included in Note 8 to the financial statements.</p>	<p>Our review of the recoverability of advances to subsidiaries included the following procedures, amongst others:</p> <ul style="list-style-type: none"> - we sought an understanding of the arrangements and the purpose of these advances through discussions with management; - we determined and evaluated the manner of the arrangements whether it gave rise to a debt instrument or a capital contribution; - we reviewed for expected credit losses in accordance with SFRS(I) 9 Financial Instruments; - we obtained an understanding of the key data and assumptions adopted by management in the expected credit loss model; - we assessed the appropriateness of management's estimates of loss allowance by examining the information used by management to derive such estimates; and - we also considered the adequacy of the Group's disclosures made to the financial statements in relation to the recoverability of advances to subsidiaries held by the Company.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARKSON RETAIL ASIA LIMITED

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SSA 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 SSA, 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, 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 internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARKSON RETAIL ASIA LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 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 current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARKSON RETAIL ASIA LIMITED

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Teo Soo Chuen.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 26 March 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	The Group		The Company	
		31 December	31 December	31 December	31 December
		2024	2023	2024	2023
		SGD'000	SGD'000	SGD'000	SGD'000
ASSETS					
Non-Current					
Property, plant and equipment	4	20,813	17,448	-	-
Right-of-use assets	20	128,567	130,435	-	-
Investments in subsidiaries	5	-	-	117,580	110,759
Investment in an associate	6	-	-	-	-
Deferred tax assets	7	6,789	5,523	-	-
Other receivables	8	4,889	4,210	-	-
Prepayments	9	-	23	-	-
Intangible assets	10	58	54	-	-
Investment securities	11	262	246	-	-
		161,378	157,939	117,580	110,759
Current					
Inventories	12	29,460	23,123	-	-
Trade and other receivables	8	8,197	10,551	4,165	-
Prepayments	9	457	1,374	-	-
Tax recoverable		50	46	-	-
Cash and short-term deposits	13	124,897	102,075	22	1,200
		163,061	137,169	4,187	1,200
Total assets		324,439	295,108	121,767	111,959

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	The Group		The Company	
		31 December	31 December	31 December	31 December
		2024	2023	2024	2023
		SGD'000	SGD'000	SGD'000	SGD'000
EQUITY					
Capital and Reserves					
Share capital	14(a)	231,676	231,676	231,676	231,676
Treasury shares	14(b)	(549)	(549)	(549)	(549)
Other reserves	15	(156,716)	(160,595)	(54,742)	(60,396)
Accumulated losses		(35,673)	(59,796)	(77,384)	(82,580)
Equity attributable to equity holders of the Company					
		38,738	10,736	99,001	88,151
Non-controlling interests		(101)	(91)	-	-
Total equity		38,637	10,645	99,001	88,151
LIABILITIES					
Non-Current					
Other payables	16	348	164	-	-
Provisions	18	5,613	5,411	-	-
Lease liabilities	20	115,902	115,422	-	-
		121,863	120,997	-	-
Current					
Trade and other payables	16	102,647	106,172	22,519	23,065
Other liabilities	17(a)	14,367	11,265	247	743
Contract liabilities	17(b)	6,439	6,201	-	-
Provisions	18	1,691	1,170	-	-
Tax payables		872	1,968	-	-
Loans and borrowings	19	1,854	1,895	-	-
Lease liabilities	20	36,069	34,795	-	-
		163,939	163,466	22,766	23,808
Total liabilities		285,802	284,463	22,766	23,808
Total equity and liabilities		324,439	295,108	121,767	111,959

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December 2024	Year ended 31 December 2023
	Note	SGD'000	SGD'000
Continuing operations			
Revenue	21	214,812	221,584
Other items of income			
Finance income	22(a)	3,783	3,182
Other income	22(b)	5,491	3,938
Items of expense			
Merchandise inventories and consumables used	12	(62,007)	(68,799)
Changes in merchandise inventories and consumables	12	(6,337)	(3,018)
Employee benefits expense	23	(37,346)	(35,783)
Depreciation and amortisation expenses	24	(44,021)	(39,092)
Promotional and advertising expenses		(1,340)	(1,029)
Operating lease expenses	24	(5,203)	(7,165)
Finance costs	22(a)	(11,882)	(12,529)
Other expenses		(20,504)	(20,472)
Profit from continuing operations, before tax	24	35,446	40,817
Income tax	25	(11,327)	(11,248)
Profit from continuing operations, net of tax		24,119	29,569
Discontinued operations			
Loss from discontinued operations, net of tax	26	(1)	(4,379)
Profit for the year, net of tax		24,118	25,190
Profit/(loss) attributed to:			
Owners of the Company			
Profit from continuing operations, net of tax		24,124	29,576
Loss from discontinued operations, net of tax		(1)	(4,379)
		24,123	25,197
Non-controlling interests			
Loss from continuing operations, net of tax		(5)	(7)
		24,118	25,190
Earnings/(loss) per share (cents per share)			
From continuing operations			
- Basic and diluted	27	3.58	4.39
From discontinued operations			
- Basic and diluted	27	(0.00)*	(0.65)
From continuing and discontinued operations			
- Basic and diluted	27	3.58	3.74

* Amount less than 0.01 cents

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December 2024 SGD'000	Year ended 31 December 2023 SGD'000
Profit for the year		24,118	25,190
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		3,874	6,489
Foreign currency translation differences on loss of control of subsidiaries	5(c)	-	(4,033)
		3,874	2,456
Total comprehensive income for the year		27,992	27,646
Attributable to:			
Owners of the Company		28,002	27,636
Non-controlling interests		(10)	10
		27,992	27,646

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Group	Share capital SGD'000	Treasury shares SGD'000	Other reserves SGD'000	Accumulated losses SGD'000	Total attributable to equity holders of the Company SGD'000	Non-controlling interests SGD'000	Total equity SGD'000
Balance as at 1 January 2023	231,676	(549)	(161,908)	(86,119)	(16,900)	(101)	(17,001)
Profit/(loss) for the year	-	-	-	25,197	25,197	(7)	25,190
Other comprehensive income							
Foreign currency translation	-	-	2,439	-	2,439	17	2,456
Total comprehensive income for the year	-	-	2,439	25,197	27,636	10	27,646
Transaction with owners, recognised directly in equity							
Transfer of capital contribution upon deconsolidation of subsidiaries (Note 15(d))	-	-	(1,126)	1,126	-	-	-
Balance as at 31 December 2023	231,676	(549)	(160,595)	(59,796)	10,736	(91)	10,645
Profit/(loss) for the year	-	-	-	24,123	24,123	(5)	24,118
Other comprehensive income/ (expense)							
Foreign currency translation	-	-	3,879	-	3,879	(5)	3,874
Total comprehensive income/ (expense) for the year	-	-	3,879	24,123	28,002	(10)	27,992
Balance as at 31 December 2024	231,676	(549)	(156,716)	(35,673)	38,738	(101)	38,637

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December 2024	Year ended 31 December 2023
	Note	SGD'000	SGD'000
Cash Flows from Operating Activities			
Profit before tax from continuing operations		35,446	40,817
Loss before tax from discontinued operations	26	(1)	(4,379)
Profit before tax		35,445	36,438
Adjustments for:			
Depreciation and amortisation expense:			
- property, plant and equipment	4	6,515	6,297
- right-of-use assets	20(c)	37,506	32,800
Reversal of impairment losses, net:			
- property, plant and equipment	4	(251)	-
- right-of-use assets	20(a)	(870)	-
Property, plant and equipment written off	4	52	352
Gain on disposal of property, plant and equipment, net	4, 24	(14)	(5)
Gain on deconsolidation of subsidiaries	26	-	(10,328)
Loss on termination of subleases	8(e)	-	28,584
Gain on termination of lease with landlord	20(b)	-	(19,324)
(Reversal)/allowance for expected credit loss on trade and other receivables, net	24	(19)	3,993
Allowance for inventory shrinkage	12	96	84
Write back of stock obsolescence	12	(528)	-
Income from expired vouchers	17(b), 22(b)	(316)	(365)
Income from rent concession on lease liabilities	20(b)	(243)	(323)
Lease derecognition	20(a), 20(b)	-	(1,345)
Lease modifications	20(a), 20(b)	-	993
Dividend income from investment in securities	22(b)	-	(8)
Finance costs	22(a), 26(a)	11,882	14,050
Finance income	22(a), 26(a)	(3,784)	(4,499)
Operating profit before working capital changes		85,471	87,394
Increase in inventories		(4,276)	(4,326)
Decrease/(increase) in trade and other receivables		1,492	(4,129)
Decrease in prepayments		982	283
Increase/(decrease) in trade and other payables		1,063	(24,902)
Increase in other liabilities and provisions		1,573	8,565
Cash generated from operations		86,305	62,885
Interest received		3,573	2,778
Interest paid		(70)	(178)
Income taxes paid		(13,388)	(12,264)
Net cash generated from operating activities		76,420	53,221

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December 2024	Year ended 31 December 2023
	Note	SGD'000	SGD'000
Cash Flows from Investing Activities			
Proceeds from disposal of property, plant and equipment		25	14
Purchase of property, plant and equipment	B	(7,362)	(3,369)
Dividend income from investment securities		-	8
Net cash outflows from deconsolidation of subsidiaries	5(c)	-	(60)
Proceeds from net investments in sublease		215	6,303
Net cash (used in)/generated from investing activities		(7,122)	2,896
Cash Flows from Financing Activities			
Interest paid		(11,609)	(13,368)
Proceeds from bank borrowings		3,356	3,277
Repayment of bank borrowings		(3,349)	(3,309)
Repayment of loan to ultimate holding company		-	(2,059)
Repayment to related companies		(8,057)	(6,751)
Repayment of loan to a third party		-	(1,341)
Payment of principal portion of lease liabilities		(34,334)	(31,192)
Decrease in bank overdraft		152	230
Decrease in restricted bank balances		-	137
Decrease/(increase) in pledged deposits		68	(1,057)
Net cash used in financing activities		(53,773)	(55,433)
Net increase in cash and cash equivalents		15,525	684
Cash and cash equivalents as at beginning of year		92,585	97,294
Exchange differences on translation of cash and cash equivalents as at beginning of year		6,949	(5,393)
Cash and cash equivalents as at end of year	A	115,059	92,585

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Note:

A. Cash and cash equivalents

		31 December	31 December
		2024	2023
	Note	SGD'000	SGD'000
Cash and short-term deposits	13	124,897	102,075
Bank overdraft	19	(58)	(210)
Cash and cash equivalents		124,839	101,865
Less:			
- pledged deposits	13	(9,780)	(9,280)
Cash and cash equivalents in the consolidated statement of cash flows		115,059	92,585

B. Property, plant and equipment

		Year ended	Year ended
		31 December	31 December
		2024	2023
	Note	SGD'000	SGD'000
Current year additions to property, plant and equipment	4	8,890	4,631
Less:			
- Payable to creditors	16	-	(218)
- Provision for restoration costs	18	(130)	(741)
- Accrued expenses	17(a)	(1,894)	(2,172)
Add: Payments for prior year purchase		496	1,869
Net cash outflow for purchase of property, plant and equipment		7,362	3,369

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

C. Reconciliation of liabilities arising from financing activities

The following is the disclosures of the reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items:

	1 January		Non-cash changes			31 December
	2024	Cash flows	Additions	Exchange	Others	2024
	SGD'000	SGD'000	SGD'000	movement	SGD'000	SGD'000
Bankers' acceptance	1,685	7	-	104	-	1,796
Non-trade amounts owing to ultimate holding company and related companies	9,520	(8,057)	-	1,294	-	2,757
Lease liabilities (Note 20(b))	150,217	(45,943)	5,317	7,750	34,630	151,971
Pledged deposits	(9,280)	68	-	(568)	-	(9,780)
	152,142	(53,925)	5,317	8,580	34,630	146,744

	1 January		Non-cash changes			31 December
	2023	Cash flows	Additions	Exchange	Others	2023
	SGD'000	SGD'000	SGD'000	movement	SGD'000	SGD'000
Bankers' acceptance	1,817	(32)	-	(100)	-	1,685
Loan from owner of a managed store (Vietnam)	1,250	-	-	(15)	(1,235)	-
Loan from a third party	1,334	(1,341)	-	7	-	-
Loans from ultimate holding company	2,078	(2,059)	-	(19)	-	-
Non-trade amounts owing to ultimate holding company and related companies	16,794	(6,751)	-	(523)	-	9,520
Lease liabilities (Note 20(b))	191,798	(44,560)	6,189	(11,764)	8,554	150,217
Pledged deposits	(8,703)	(1,057)	-	480	-	(9,280)
	206,368	(55,800)	6,189	(11,934)	7,319	152,142

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1 General information

Parkson Retail Asia Limited (the "Company") is a public listed company incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office of the Company is located at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619. The principal place of business of the Group is located at Level 5, Klang Parade, No. 2112 Jalan Meru, 41050 Klang, Selangor Darul Ehsan, Malaysia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries and associate are disclosed in Note 5 and Note 6 to the financial statements respectively.

The immediate holding company is East Crest International Limited, a company incorporated in the British Virgin Islands. The ultimate holding company is Parkson Holdings Berhad, a public limited liability company incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. Related companies refer to companies within the Parkson Holdings Berhad group.

The consolidated financial statements of the Group for the financial year ended 31 December 2024 and statement of financial position of the Company as at 31 December 2024 were authorised for issue by the Board of Directors on the date of the Directors' Statement.

2(a) Going concern basis

The Group

The Group's current liabilities exceeded its current assets by SGD878,000 (2023 - SGD26,297,000) as at 31 December 2024. The financial statements have been prepared on a going concern basis as the directors of the Company are of the view that it is appropriate to prepare the Group's financial statements on a going concern on the following bases:

- (a) the Group reported cash flows generated from operations of SGD86,305,000 (2023 - SGD62,885,000) for the financial year ended 31 December 2024 and is able to generate sufficient cash flows from its Malaysia operations to pay its liabilities as and when they fall due;
- (b) the Group has unutilised banking facilities of approximately SGD1,937,000 (2023 - SGD2,346,000) as of 31 December 2024 that is available for use;
- (c) the Group has unutilised loan facility of RM30,000,000 (2023 - RM30,000,000) with the ultimate holding company, Parkson Holdings Berhad as of 31 December 2024 available for use;
- (d) the Group has cash and short term deposits of SGD124,897,000 (2023 - SGD102,075,000) as of the reporting date; and
- (e) there are no financial guarantee contracts that is likely to be materialised.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2(a) Going concern basis (Cont'd)

The Company

As at 31 December 2024, the Company's current liabilities exceeded the Company's current assets by SGD18,579,000 (2023 - SGD22,608,000).

As at the balance sheet date, included in current liabilities are mainly:

- non-trade amount due to a subsidiary, Parkson Corporation Sdn Bhd, totalling SGD21,708,000 (2023 - SGD22,328,000); and
- non-trade amounts due to other related companies totalling SGD566,000 (2023 - SGD534,000).

These non-trade amounts represent advances which are unsecured, non-interest bearing and are repayable on demand.

The subsidiary, Parkson Corporation Sdn Bhd has given an undertaking that it shall not demand immediate repayment from the Company in the next twelve months from the date of this financial statements.

2(b) Basis of preparation

The financial statements are prepared in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)"), and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar, rounded to the nearest thousand ("SGD'000"), unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and evaluated based on historical experience and expectations of future events. Revisions to accounting estimates are recognised in the reporting period in which the estimate is revised and in any future reporting periods affected.

The areas involving significant judgement and critical accounting estimates and assumptions used are described below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2(b) Basis of preparation (Cont'd)

Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Significant judgements used in applying accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Determination of functional currency

The Group measures foreign currency translation in the respective currencies of the Company and its subsidiaries. In determining the functional currencies of the Company and the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the Company and the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Income taxes

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amounts of the Group's tax recoverable as at 31 December 2024 was SGD50,000 (2023 - SGD46,000).

The carrying amounts of the Group's deferred tax assets as at 31 December 2024 were SGD6,789,000 (2023 - SGD5,523,000) are disclosed in Note 7 to the financial statements.

Determination of lease terms of contracts with extension options

The Group determines the lease terms 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 options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. It considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term whenever there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend. The impact of the extension options not taken up by management is disclosed in Note 20(f) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2(b) Basis of preparation (Cont'd)

Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Key sources of estimation uncertainty

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

Useful life of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated economic useful lives. Management estimates the useful lives of property, plant and equipment to be within 2 to 10 years. The carrying amount of the Group's property, plant and equipment as at 31 December 2024 was SGD20,813,000 (2023 - SGD17,448,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of property, plant and equipment differ by 10% (2023 - 10%) from management's estimates, the carrying amount of the property, plant and equipment of the Group will be approximately SGD592,000 (2023 - SGD572,000) higher or SGD724,000 (2023 - SGD699,000) lower.

The carrying amount of the Group's property, plant and equipment at the end of the reporting period is disclosed in Note 4 to the financial statements.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

The Group recognises impairment loss when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal ("FVLCD") and its value-in-use ("VIU"). FVLCD is based on available data from sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The VIU estimation is based on forecasted cash flows of the underlying business. There is an increased estimation uncertainty on these forecasted cash flows due to uncertain economic conditions. In forecasting these cash flows, management has taken into account of long-term trends and market conditions and uncertain economic conditions and their impact on the key assumptions used.

A decrease of 1% (2023 - 1%) in the sales growth, or an increase of 1% (2023 - 1%) in the discount rate, as applied in the VIU calculations for property, plant and equipment and right-of-use assets, will not lead to impairment loss recognised on these non-financial assets.

The carrying amounts of the Group's property, plant and equipment and right-of-use assets at the end of the reporting period are disclosed in Notes 4 and 20(a) to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2(b) Basis of preparation (Cont'd)

Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Provisions for restoration costs

Under the lease agreements entered into by the Group, it is required to carry out restoration work upon expiry of the leases. As at 31 December 2024, the Group has made provisions for the restoration work amounted to SGD7,304,000 (2023 - SGD6,581,000) (Note 18). The expected restoration costs are based on estimated costs of dismantling and removing assets and restoring the premises to their original conditions.

If the expected estimated costs increase/decrease by 10% (2023 - 10%), the provision will increase/decrease by approximately SGD730,000 (2023 - SGD658,000).

Determining the appropriate rate to discount lease payments

The Group cannot readily determine the interest rate implicit in the leases, therefore, it uses the incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset to the right-of-use asset in a similar economic environment.

The Group estimates the IBR relevant to each lease by using observable inputs such as market interest rate and asset yield, where available, and making certain lessee specific adjustments such as the Group's credit rating.

An increase/decrease of 1% (2023 - 1%) in the estimated IBR will decrease/increase the Group's right-of-use assets and lease liabilities by approximately SGD2,040,000 and SGD1,828,000 (2023 - SGD1,232,000 and SGD1,047,000) respectively.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

- *Trade receivables*

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2(b) Basis of preparation (Cont'd)

Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Impairment of financial assets (Cont'd)

- *Non-trade receivables*

For non-trade receivables, the Group and the Company apply the general approach to determine ECL. ECL is measured as an allowance equal to 12-month ECL for stage-1 (low credit risk) assets, or lifetime ECL for stage-2 (deterioration in credit risk) or stage-3 (credit impaired) assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative, reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

If the expected credit losses increase/decrease by 5% (2023 - 5%) from management estimates, the carrying amounts of the trade and other receivables of the Group will decrease/increase by approximately SGD205,000 (2023 - SGD200,000) respectively.

The carrying amount of trade and other receivables carried at amortised cost is disclosed in Note 8 to the financial statements.

- *Amounts due from subsidiaries*

The management applies significant judgement in evaluating whether there is significant increase in credit risks in respect to the advances to subsidiaries as at 31 December 2024 and has made an assessment of the expected credit loss of advances to subsidiaries.

This ECL assessment involves cash flows projections of the subsidiaries' future operating and financial performance prepared based on key assumptions and estimates including sales growth and operating costs of the business. It also involves determining and applying an appropriate market-based discount rate to the discounting of the contractual cash flows due and all the cash flows that the Company expects to receive over the expected life of the advances to subsidiaries.

The carrying amount of the advances to subsidiaries to the Company is disclosed in Note 8. A decrease of 10% in the estimated future cash inflows will lead to further allowance for ECL of SGD219,000 (2023 - Nil).

Allowance for inventories obsolescence

Allowance for inventories obsolescence is estimated based on the best available facts and circumstances at the end of each reporting period, including but not limited to, the physical conditions of the inventories, their expected market selling prices, and estimated costs to be incurred for their sales. The allowance is re-evaluated and adjusted as additional information received affects the amount estimated.

If the net realisable value of the inventories increase/decrease by 5% (2023 - 5%) from management's estimates, the Group's profit will increase/decrease by SGD1,473,000 (2023 - SGD1,156,000).

The carrying amount of the inventories is disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2(b) Basis of preparation (Cont'd)

Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Impairment of investments in subsidiaries

The Company determines whether there are indicators that investments in subsidiaries is impaired. The recoverable amount that is determined by an estimation of the VIU of the subsidiaries is higher than the carrying amount as at the reporting date. The VIU calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next three years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested. The key assumptions in deriving the recoverable amount include discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

A decrease in the sales growth by 1% (2023 - 1%), or an increase of 1% (2023 - 1%) in the discount rate, as applied in the VIU calculations, will not lead to further impairment loss recognised on the investments in subsidiaries.

The carrying amount of the Company's investments in subsidiaries recognised at the end of the reporting period is disclosed in Note 5 to the financial statements.

2(c) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 January 2024, the Group and the Company have adopted all the new and revised SFRS(I) and amendments to SFRS(I), effective for the current financial year that are relevant to them. This includes the following:

Reference	Description	Effective date (Annual periods beginning on or after)
<u>Amendments to:</u>		
SFRS(I) 1-1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
SFRS(I) 1-1	<i>Non-current Liabilities with Covenants</i>	1 January 2024
SFRS(I) 16	<i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	<i>Supplier Finance Arrangements</i>	1 January 2024

The adoption of these new and revised SFRS(I) pronouncements did not result in significant changes to the Group's and the Company's accounting policies and had no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2(d) New and revised SFRS(I) issued but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I) and amendments to SFRS(I), where applicable, that have been issued and are not yet effective but which may be early adopted.

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 18	<i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
SFRS(I) 19	<i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
<i>Amendments to:</i>		
SFRS(I) 1-21, SFRS(I) 1	<i>Lack of Exchangeability</i>	1 January 2025
SFRS(I) 9, SFRS(I) 7	<i>Classification and Measurement of Financial Instruments</i>	1 January 2026
Various	<i>Annual Improvements to FRSs - Volume 11</i>	1 January 2026
SFRS(I) 9, SFRS(I) 7	<i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
SFRS(I) 10, SFRS(I) 1-28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint venture</i>	To be determined

Management anticipates that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 replaces SFRS(I) 1-1 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.

SFRS(I) 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. In particular, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations. In addition, SFRS(I) 18 requires disclosure of newly prescribed management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes to the financial statements.

Furthermore, narrow scope amendments are made to SFRS(I) 1-7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. There are also amendments to several other standards.

SFRS(I) 18, and the consequential amendments to the other standards, is effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted. SFRS(I) 18 is applied retrospectively with specific transition provisions.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information

Consolidation

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee, if and only if, the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Consolidation (Cont'd)

(a) Basis of consolidation (Cont'd)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

A change in the ownership interest

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s).

Acquisition

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business combination comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Consolidation (Cont'd)

(a) Basis of consolidation (Cont'd)

Acquisition (Cont'd)

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Business combinations

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another standard.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Business combinations (Cont'd)

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

Comparatives are restated to reflect the combination as if it had occurred from the beginning of the earliest period presented in the financial statements or from the date the entities had come under common control, if later.

Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is computed utilising the straight-line method to allocate the depreciable amount of these assets after deducting the residual value over their estimated useful lives as follows:

Renovation	2 - 10 years or duration of lease, whichever is shorter
Furniture and equipment	5 - 10 years
Motor vehicles	5 years

Land, including the legal costs incurred at initial acquisition of land rights, was stated at cost and not depreciated. Assets under construction included in renovation are not depreciated as these assets are not yet available for use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate at the end of each reporting period as a change in estimates. The useful lives and depreciation method are reviewed at each financial year-end to ensure that the method and year of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense in the year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month after acquisition and to the month of disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment in net recoverable value that has been recognised in profit or loss. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Intangible assets

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Intangible assets (Cont'd)

(i) Club memberships

Club memberships acquired separately are amortised on a straight-line basis over their estimated useful lives of 25 years.

(ii) Computer software

Software acquired separately were amortised on a straight-line basis over their estimated useful lives of 8 years.

(iii) Licensing fee

License fee incurred was amortised on a straight-line basis over the contractual period of 10 years.

Impairment of non-financial assets

As at each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Financial instruments

Financial assets

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through other comprehensive income ("FVOCI"); and
- fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group reclassifies investments in debt instruments when and only when its business model for managing those assets changes.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

At subsequent measurement

Debt instruments

Investments in debt instruments mainly comprise of trade and other receivables, cash and short-term deposits at amortised cost. The subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset are:

- Amortised cost

Investments in debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest method.

- FVOCI

The Group's investments in debt instruments relates to unquoted equity investments in a related corporation that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the year in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income. Dividends from equity investments are recognised in profit or loss as "dividend income".

Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component.

Other receivables generally arise from transactions outside the normal operating activities of the Group.

Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVOCI, as well as financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Impairment of financial assets (Cont'd)

Trade receivables

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but always recognises lifetime ECL. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and the general economic conditions at the reporting date, including time value of money where appropriate.

Other receivables and cash and short-term deposits

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL). The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve months after the reporting date.

Financial guarantee contracts

The date that the Group and the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of the financial guarantee contracts, the Group and the Company considers the changes in the risk that the specified debtor will default on the contract.

The Group and the Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery (e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings). Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of merchandise and consumables comprise cost of purchase, and are determined using the weighted average method.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, and short-term deposits that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value and bank overdraft (which forms an integral part of the Group's cash and cash equivalents).

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consists of cash and cash equivalents as defined above, net of pledged deposits.

Bank overdrafts are presented as loans and borrowings in the consolidated statement of financial position.

Financial liabilities

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

(i) Financial liabilities at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVPL, are subsequently measured at amortised cost using the effective interest method. Financial liabilities at amortised cost mainly include trade and other payables, other liabilities, loans and borrowings and lease liabilities.

(ii) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(iii) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

The Group and the Company have issued financial guarantees to banks and a third party for bank borrowings and facilities and amount owing of its subsidiaries. These guarantees are financial guarantee contracts as they require the Group and the Company to reimburse these parties if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Financial liabilities (Cont'd)

(iii) *Financial guarantees (Cont'd)*

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings

Borrowings which are due to be settled within twelve months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Company's and the Group's normal operating cycle are classified as current. Borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statements of financial position.

Bank borrowings

Bank borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Bank borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the bank borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Bank borrowings are derecognised when the obligation is discharged, cancelled or expired. The difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When the contractual cash flows of bank borrowings are modified but do not result in derecognition, difference between the recalculated gross carrying amount and the carrying amount before modification is recognised in profit or loss as modification gain or loss, at the date of modification.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Contract liabilities

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

Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Restoration

A provision for restoration is recognised when the Group is legally obligated to dismantle physical installations and to restore to its original state a property owned by external parties following decommissioning of the Group's operating facilities at the property. The costs of dismantling and restoration are capitalised as part of the Group's acquisition costs of the installations and are depreciated over their useful lives. The provision is initially recognised as the present value of the aggregate future costs. Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement and restoration costs are adjusted against the cost of the related installations, unless the decrease in the provision exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such a case, the excess of the decrease over the carrying amount of the asset, or the changes in the provision, is recognised in profit or loss immediately.

Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company's subsidiaries in Malaysia make contributions to the Employees Provident Fund. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. Directors and certain managerial personnel are considered key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

Leases

The Group assesses whether a contract is, or contains a lease, at inception of the contract. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(a) As lessee

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

Right-of-use assets

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

Retail outlets and office premise	1 - 20 years
Furniture and equipment	2 - 6 years
Motor vehicles	5 - 7 years

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

The ROU assets are also subject to impairment. The accounting policy for impairment is disclosed under "Impairment of non-financial assets".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Leases (Cont'd)

(a) As lessee (Cont'd)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out under "Revenue - Rental income". Contingent rents are recognised as revenue in the year in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of the underlying asset to the lease are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and presented as a receivable at an amount equal to the net investment in the lease.

Where the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance lease or operating lease by reference to the ROU asset arising from the head lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods

Revenue from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer, usually on 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.

Customer loyalty award

The Group operates Parkson Card loyalty 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 balance sheet 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.

Commissions from concessionaire sales

Commissions from concessionaire sales are recognised upon the sale of goods by the relevant stores.

Consultancy and management service fees

Consultancy and management service fees are recognised, excluding service taxes and discounts when the services are rendered.

Rental income

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

Interest income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Revenue (Cont'd)

Promotion income and sales commissions

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

Revenue from food and beverage operations

Revenue from food and beverage operations are recognised upon delivery and acceptance by customers, net of sale discounts.

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and consolidated statement of other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are recognised on transactions that, on initial recognition, give rise to equal amounts of deductible and taxable temporary differences, arising from leases.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed as at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Income taxes (Cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statements of financial position.

Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the financial statements, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for-sale and:

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss is re-presented as if the operation has been discontinued from the start of the comparative year.

Functional and foreign currency transactions and translation

The functional currency of the Company is Malaysian Ringgit. The Company has chosen to present its financial statements using Singapore Dollar ("SGD") as it is incorporated in Singapore. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. As at each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 Material accounting policy information (Cont'd)

Functional and foreign currency transactions and translation (Cont'd)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore Dollar using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header "Other reserves - foreign currency translation reserve".

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, or disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but are not reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings, are recognised in other comprehensive income and accumulated in a separate component of equity under the header "Other reserves - foreign currency translation reserve".

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. The Group determines and presents operating segments based on information that is provided internally to the Chief Executive Officer (the chief operating decision maker) who is responsible for allocating resources and assessing performance of the operating segments.

Disclosures on the Group's operating segments are provided in Note 31 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4 Property, plant and equipment

The Group	Renovation SGD'000	Furniture and equipment SGD'000	Motor vehicles SGD'000	Total SGD'000
Cost				
At 1 January 2023	87,218	54,085	621	141,924
Additions	2,658	1,881	92	4,631
Disposals	(19)	(109)	(79)	(207)
Reclassification	(17)	17	-	-
Written off	(6,370)	(3,271)	-	(9,641)
Deconsolidation of a subsidiary	(33)	(145)	-	(178)
Exchange differences	(5,216)	(4,174)	(84)	(9,474)
At 31 December 2023	78,221	48,284	550	127,055
Additions	6,207	2,575	108	8,890
Disposals	-	(25)	(43)	(68)
Reclassification	(221)	221	-	-
Written off	(3,017)	(2,066)	-	(5,083)
Exchange differences	4,343	3,152	34	7,529
At 31 December 2024	85,533	52,141	649	138,323
Accumulated depreciation				
At 1 January 2023	59,957	52,359	605	112,921
Depreciation for the year	4,702	1,555	40	6,297
Disposals	(19)	(108)	(71)	(198)
Written off	(6,033)	(3,256)	-	(9,289)
Deconsolidation of a subsidiary	-	(5)	-	(5)
Exchange differences	(4,328)	(3,453)	(77)	(7,858)
At 31 December 2023	54,279	47,092	497	101,868
Depreciation for the year	4,363	2,115	37	6,515
Disposals	-	(25)	(32)	(57)
Written off	(2,986)	(2,027)	-	(5,013)
Exchange differences	3,495	2,875	30	6,400
At 31 December 2024	59,151	50,030	532	109,713
Accumulated impairment loss				
At 1 January 2023	6,947	1,244	11	8,202
Deconsolidation of a subsidiary	(33)	(140)	-	(173)
Exchange differences	(235)	(55)	-	(290)
At 31 December 2023	6,679	1,049	11	7,739
Impairment loss	36	43	-	79
Reversal of impairment loss	(265)	(65)	-	(330)
Written off	-	(18)	-	(18)
Exchange differences	270	57	-	327
At 31 December 2024	6,720	1,066	11	7,797
Net book value				
At 31 December 2024	19,662	1,045	106	20,813
At 31 December 2023	17,263	143	42	17,448

Included in the net book value of renovation of SGD19,662,000 (2023 - SGD17,263,000) as at 31 December 2024 is construction work-in-progress ("CWIP") of SGD118,000 (2023 - SGD284,000) which relates to a subsidiary, Parkson Corporation Sdn Bhd. There were no CWIP disposals during the financial years ended 31 December 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4 Property, plant and equipment (Cont'd)

(a) Restoration costs

Included in the additions to cost of renovation of SGD6,207,000 (2023 - SGD2,658,000) is provision for restoration costs totalling SGD130,000 (2023 - SGD741,000) which has been made during the financial year ended 31 December 2024. The movements in provision for restoration costs are disclosed in Note 18 to the financial statements.

(b) Construction work-in-progress (included in renovation)

Construction work-in-progress comprises ongoing renovations for stores. These construction work-in-progress will be transferred to appropriate categories of property, plant and equipment when they are ready for their intended use.

(c) Impairment/reversal of impairment of assets

The Group made an assessment on the recoverable amounts of certain stores individually as separate cash generating units as at the reporting date. The recoverable amounts are based on the value-in-use calculations using cash flow projections based on financial budgets approved by management of the Group covering up to end of lease term of individual stores. Key assumptions used in the calculation of recoverable amounts are revenue growth rate, budgeted gross margin, discount rate and cost of debt (pre-tax). The values assigned to the key assumptions represent management's assessment of future trends in the industry that the Group operates in and are based on both external and internal sources.

The pre-tax discount rate applied to the cash flow projections is 10.2% (2023 - 10.7%).

As a result of the assessment, the Group recorded impairment charges of SGD79,000 (2023 - Nil) in respect of property, plant and equipment of its underperforming stores in the financial year ended 31 December 2024.

In the financial year ended 31 December 2024, the Group reversed impairment losses of SGD330,000 (2023 - Nil) previously provided for in prior periods in respect of property, plant and equipment of a store in Malaysia as the recoverable amount is higher than the carrying amount.

5 Investments in subsidiaries

	31 December 2024	31 December 2023
The Company	SGD'000	SGD'000
Unquoted equity instruments, at cost	163,702	163,702
Less: Impairment losses at beginning and end of year	(8,361)	(8,361)
Exchange difference	(37,761)	(44,582)
	117,580	110,759

The amount of SGD117,580,000 (2023 - SGD110,759,000) as at 31 December 2024 relates to investment in a subsidiary, Parkson Corporation Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5 Investments in subsidiaries (Cont'd)

The subsidiaries are:

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Proportion of ownership interest and voting rights held by the Group</u>		<u>Principal activities</u>
		2024 %	2023 %	
<u>Held by the Company</u>				
Parkson Corporation Sdn Bhd ^(b)	Malaysia	100	100	Operation of department stores
Centro Retail Pte Ltd ^(a)	Singapore	100	100	Investment holding
Parkson Myanmar Co Pte Ltd ^(a)	Singapore	100	100	Investment holding
Parkson Yangon Co Ltd ^(d)	Myanmar	^(*) 100	^(*) 100	Dormant
<u>Held by Parkson Corporation Sdn Bhd</u>				
Parkson Haiphong Co Ltd ^{(d)(e)}	Vietnam	100	100	Dormant
Parkson Cambodia Holdings Co Ltd ^(d)	British Virgin Islands	100	100	Investment holding
Parkson SGN Co Ltd ^{(d)(e)}	Vietnam	100	100	Dormant
Parkson Edutainment World Sdn Bhd ^(b)	Malaysia	100	100	Dormant
Parkson Lifestyle Sdn Bhd ^(b)	Malaysia	100	100	Trading of apparels and consumer products
Parkson Unlimited Beauty Sdn Bhd ^(b)	Malaysia	100	100	Dormant
Parkson Private Label Sdn Bhd ^(b)	Malaysia	100	100	Trading of apparels and consumer products
Solid Gatelink Sdn Bhd ^(b)	Malaysia	100	100	Operation of food and beverage business
Parkson Trends Sdn Bhd ^(c)	Malaysia	100	100	Dormant
Parkson Trading (Vietnam) Co Ltd ^{(d)(e)}	Vietnam	100	100	Dormant
<u>Held by Parkson Cambodia Holdings Co Ltd</u>				
Parkson (Cambodia) Co Ltd ^(d)	Cambodia	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5 Investments in subsidiaries (Cont'd)

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Proportion of ownership interest and voting rights held by the Group</u>		<u>Principal activities</u>
		2024 %	2023 %	
<u>Held by Parkson Myanmar Co Pte Ltd</u>				
Parkson Myanmar Investment Company Pte Ltd ^(a)	Singapore	70	70	Investment holding
<u>Held by Parkson Myanmar Investment Company Pte Ltd</u>				
Myanmar Parkson Company Limited ^{(d)(e)}	Myanmar	100	100	Dormant

(a) Audited by Foo Kon Tan LLP

(b) Audited by Grant Thornton Malaysia PLT, Malaysia

(c) In the process of application for striking the entity off from the register during the financial year ended 31 December 2024

(d) Not required to be audited by law in the country of incorporation

(e) In the process of application for dissolution

(*) 5% (2023 - 5%) held via Parkson Myanmar Co Pte Ltd

In accordance with Rule 716 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group and of the Company.

(a) Impairment

During the financial year ended 31 December 2024, the Company has assessed the carrying amounts of its investments in subsidiaries for indicators of impairment and carried out a review on the recoverable amount of the investments in subsidiaries. The estimated recoverable amount is determined based on value-in-use calculations. The calculation uses pre-tax cash flow projections based on financial budget approved by the management covering a three-year period. The cash flow projections included specific estimates for three years and a terminal growth rate thereafter. No impairment loss has been provided for the financial years ended 31 December 2024 and 2023.

The pre-tax discount rate applied to the cash flow projections is 10.2% (2023 - 10.7%).

(b) Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has no subsidiary that has material NCI as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5 Investments in subsidiaries (Cont'd)

(c) Loss of control of subsidiaries

On 28 April 2023, Parkson Vietnam had filed for voluntary bankruptcy ("Application") with the People's Court of Ho Chi Minh City, Vietnam (the "Court") on the grounds that Parkson Vietnam is insolvent and was unable to continue with the business to pay its liabilities owing to creditors.

In FY2023, the occurrence of events following the Application were as follows:

- On 2 June 2023 - Parkson Vietnam received civil case from a landlord for amount owing of SGD8,210,000 (VND151 billion) in relation to the leased premises at Saigon Tourist Plaza.
- On 8 August 2023 - the Court applied temporary emergency measures as Pre-judgement Attachment and issued Decisions to freeze two bank accounts.
- On 1 November 2023 - the Court accepted the Application.
- On 27 November 2023 - the Court issued Decision to litigants to the temporary suspension of civil case in relation to the leased premises at Saigon Tourist Plaza.
- On 29 January 2024 - the Court issued Decision to litigants to the temporary suspension of civil case in relation to the leased premises in Danang.

The leased premises located at Saigon Tourist Plaza had been handed over to the landlord in August 2023. The corresponding sub-tenants were terminated effectively by August 2023. Arising from the handover, Parkson Vietnam had ceased business.

The directors of the Group believed that in so far it relates to Parkson Vietnam, subject to the supervision of the Court, the decisions regarding the daily financial and operating policies were now directed for the benefit of the creditors, and the directors of the Group were restricted from making any significant financial decisions without the approval of the Court. The pre-bankruptcy shareholders' voting interests were expected to be diluted (thereby resulting in the parent ultimately losing control) upon exiting from bankruptcy.

In the opinion of the directors of the Group, the Group had lost its practical ability to affect returns through its power over Parkson Vietnam effective 8 August 2023 and that the financial statements had been prepared on the basis that the financial results of Parkson Vietnam and its subsidiary, PMS were deconsolidated on the said date and presented under discontinued operations (Note 26) for the financial year ended 31 December 2023 on the premise that the operating results of Parkson Vietnam were regularly reported and reviewed by the chief of decision making where Vietnam was a separate geographical area of operations reported in the Group's financial statements. The gain on deconsolidation of subsidiaries was recorded within "Discontinued operations" (Note 26).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5 Investments in subsidiaries (Cont'd)

(c) Loss of control of subsidiaries (Cont'd)

Details of net assets/(liabilities) derecognised arising from the deconsolidation were as follows:

	8 August 2023 SGD'000
Intangible assets	11
Trade and other receivables	433
Lease receivables	1,205
Cash and bank balances	60
Trade and other payables	(12,883)
Lease liabilities	(3,187)
Net liabilities derecognised	(14,361)
Gain on deconsolidation of subsidiaries (Note 26)	10,328
Realisation of foreign currency translation reserve	4,033
Cash consideration received	-

Net cash outflows arising from deconsolidation of subsidiaries were as follows:

	8 August 2023 SGD'000
Cash consideration received	-
Cash and bank balances in subsidiaries derecognised	(60)
Net cash outflows	(60)

6 Investment in an associate

The Group	31 December 2024	31 December 2023
	SGD'000	SGD'000
Unquoted equity investment, at cost	-	5,178
Deconsolidation of Parkson Vietnam	-	(5,178)
	-	-
Impairment loss at beginning and at end of year	-	(5,252)
Exchange difference	-	74
Deconsolidation of Parkson Vietnam	-	5,178
	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6 Investment in an associate (Cont'd)

Information about the Group's non-significant associate at the reporting date is summarised as follows:

<u>Name</u>	<u>Country of incorporation/ principal place of business</u>	<u>Proportion of ownership interest and voting rights held by the Group</u>		<u>Principal activities</u>
		2024	2023	
		%	%	
Held by Parkson Vietnam Co Ltd ("Parkson Vietnam")				
Parkson Hanoi Co Ltd ^(a)	Vietnam	-	-	Dormant

^(a) Not required to be audited by law in the country of incorporation

In accordance with Rule 715 of the Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they were satisfied that the appointment of a different auditor for its associate would not compromise the standard and effectiveness of the audit of the Group.

7 Deferred tax assets/Deferred tax liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

	31 December	31 December
	2024	2023
	SGD'000	SGD'000
The Group		
Presented after appropriate offsetting as follows:		
Deferred tax assets	35,863	36,195
Deferred tax liabilities	(29,074)	(30,672)
	6,789	5,523

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

7 Deferred tax assets/Deferred tax liabilities (Cont'd)

The deferred tax assets and liabilities are expected to be recovered after 1 year from the reporting date.

	<----Deferred tax assets---->			<-----Deferred tax liabilities----->			
	Provisions and contract liabilities SGD'000	Lease liabilities SGD'000	Total deferred tax assets SGD'000	Difference in depreciation for tax purpose SGD'000	Right- of-use assets SGD'000	Total deferred tax liabilities SGD'000	Total SGD'000
The Group							
At 1 January 2023	1,633	39,869	41,502	(770)	(35,680)	(36,450)	5,052
Recognised in profit or loss (Note 25(a))	(27)	(3,066)	(3,093)	14	3,848	3,862	769
Exchange translation difference	(90)	(2,124)	(2,214)	42	1,874	1,916	(298)
At 31 December 2023	1,516	34,679	36,195	(714)	(29,958)	(30,672)	5,523
Recognised in profit or loss (Note 25(a))	215	(2,670)	(2,455)	274	3,067	3,341	886
Exchange translation difference	103	2,020	2,123	(32)	(1,711)	(1,743)	380
At 31 December 2024	1,834	34,029	35,863	(472)	(28,602)	(29,074)	6,789

Unrecognised tax losses

At the end of the reporting year, the Group has tax losses of approximately SGD31,150,000 (2023 - SGD42,528,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset of approximately SGD7,476,000 (2023 - SGD10,207,000) is recognised due to uncertainty of their recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses have no expiry date except for an amount of SGD25,399,000 (2023 - SGD26,932,000) which will expire in 2025-2034 (2023 - 2024-2033).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8 Trade and other receivables

	Note	The Group		The Company	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		SGD'000	SGD'000	SGD'000	SGD'000
Current:					
Trade receivables	(a)	879	1,016	-	-
Allowance for expected credit losses	(a)	(158)	(164)	-	-
		721	852	-	-
Credit card receivables	(b)	1,303	5,470	-	-
Sales tax receivables		1,109	804	-	-
Other receivables	(c)	2,836	2,103	129	120
Advance to suppliers		74	51	-	-
Rental deposits	(d)	576	360	-	-
Other deposits		1,407	737	-	-
Deferred lease expenses	(d)	14	57	-	-
Net investments in sublease	(e)	376	197	-	-
Amount due from related companies (non-trade)	(f)	75	205	-	-
Amount due from subsidiaries (non-trade)	(f)	-	-	16,774	8,598
		7,770	9,984	16,903	8,718
Allowance for expected credit losses	(a)	(294)	(285)	(12,738)	(8,718)
		7,476	9,699	4,165	-
		8,197	10,551	4,165	-
Non-current:					
Rental deposits	(d)	7,599	7,235	-	-
Other deposits		85	17	-	-
Deferred lease expenses	(d)	93	22	-	-
Net investments in sublease	(e)	767	477	-	-
		8,544	7,751	-	-
Allowance for expected credit losses	(a)	(3,655)	(3,541)	-	-
		4,889	4,210	-	-
Total trade and other receivables (current and non-current)		13,086	14,761	4,165	-
Cash and short-term deposits (Note 13)		124,897	102,075	22	1,200
Sales tax receivables		(1,109)	(804)	-	-
Deferred lease expenses		(107)	(79)	-	-
Advances to suppliers		(74)	(51)	-	-
Total financial assets carried at amortised cost		136,693	115,902	4,187	1,200

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8 Trade and other receivables (Cont'd)

(a) Trade receivables

Trade receivables comprise rental receivables and receivables from point redemption of an external loyalty programme. Trade receivables are non-interest bearing and are generally on 10 to 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Expected credit losses

The movement in allowance for expected credit losses computed based on lifetime ECL are as follows:

The Group	Trade receivables SGD'000	Other receivables SGD'000	Amount due from managed stores SGD'000	Amount due from related companies SGD'000	Rental deposits SGD'000	Other deposits SGD'000	Total SGD'000
At 1 January 2023	452	290	4,277	5,874	3,598	9,753	24,244
Charge for the year	109	-	-	-	-	-	109
Write-off	(147)	-	-	-	-	-	(147)
Write-back	(5)	-	-	-	-	-	(5)
Deconsolidation of subsidiaries	(235)	-	(4,091)	(5,619)	-	(9,649)	(19,594)
Exchange differences	(10)	(5)	(186)	(255)	(57)	(104)	(617)
At 31 December 2023	164	285	-	-	3,541	-	3,990
Write-back	(19)	-	-	-	-	-	(19)
Exchange differences	13	9	-	-	114	-	136
At 31 December 2024	158	294	-	-	3,655	-	4,107

The Company	Other receivables SGD'000	Due from subsidiaries SGD'000	Total SGD'000
At 1 January 2023	67	19,110	19,177
Charge for the year	629	1,656	2,285
Write-back	-	(3)	(3)
Write-off	-	(11,683)	(11,683)
Exchange differences	(576)	(482)	(1,058)
At 31 December 2023	120	8,598	8,718
Charge for the year	-	3,482	3,482
Exchange differences	9	529	538
At 31 December 2024	129	12,609	12,738

(b) Credit card receivables

Credit card receivables are trade related, non-interest bearing and generally on 1 to 7 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(c) Other receivables

Other receivables are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8 Trade and other receivables (Cont'd)

(d) Rental deposits

Rental deposits are unsecured and non-interest bearing. Non-current amounts have a maturity ranging from 2 to 20 years (2023 - 2 to 20 years). Rental deposits are recognised initially at fair value. The difference between the fair value and the absolute deposit amount is recorded as deferred lease expenses.

In 2017, the Group carried out a review on the recoverable amount of its rental deposits and recognised an impairment loss of SGD3,231,000 in respect of rental deposit of a planned store in Cambodia. In 2018, the Group issued letter of termination of lease agreement due to prolonged delays in the completion and handing over the premises by the lessor. On 14 September 2020, the Singapore International Arbitration Centre ("SIAC") issued a final award wherein the SIAC Arbitration found, *inter alia*, that the lease agreement was lawfully terminated by the Group (see further details in Note 35).

Rental deposits are denominated in Malaysian Ringgit.

(e) Net investments in sublease

The Group recognises net investments in sublease as a result of sublease contracts classified as finance leases.

	31 December	31 December
	2024	2023
	SGD'000	SGD'000
The Group		
Undiscounted lease payments to be received:		
- Year 1	435	220
- Year 2	380	161
- Year 3	263	119
- Year 4	83	78
- Year 5	83	78
- Year 6 and onwards	178	245
Gross investment in leases	1,422	901
Less: Unearned finance income	(264)	(233)
Present value of lease payments receivables	1,158	668
Exchange difference	(15)	6
Net investments in sublease	1,143	674
Presented as:		
- Current	376	197
- Non-current	767	477
	1,143	674

Information about the Group's leasing activities are disclosed in Note 20 to the financial statements.

The net investments in sublease have an average effective interest rate of approximately 3.0% (2023 - 5.9%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8 Trade and other receivables (Cont'd)

(e) Net investments in sublease (Cont'd)

The carrying amount of non-current portion of net investments in sublease is discounted at market borrowing rates and it approximates its fair value.

The Group estimates the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience, the Group considers that no finance lease receivable is credit impaired.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables.

In the financial year ended 31 December 2023, the Group reported a loss on termination of subleases of SGD28,584,000 (Note 26) arising from the termination of head lease with the landlord of the leased premise located at Saigon Tourist Plaza (Note 5(c)).

(f) Amounts due from related companies/subsidiaries

The non-trade amount due from subsidiaries of SGD16,774,000 (2023 - SGD8,598,000) are unsecured, interest free and are repayable on demand when the cashflows of the subsidiaries permit.

During the financial year ended 31 December 2024, the Company, through Parkson Corporate Sdn Bhd, has made advances totalling SGD7,304,000 to two other subsidiaries, Parkson Lifestyle Sdn Bhd and Solid Gatelink Sdn Bhd. The amount due to Parkson Corporation Sdn Bhd of the same amount is recorded and included in the non-trade amount due to a subsidiary.

The Company continues to review the recoverable amount of balances due from its subsidiaries and recognised further impairment losses of SGD3,482,000 (2023 - SGD1,656,000) in profit or loss for the financial year ended 31 December 2024.

The related companies refer to companies within the Parkson Holdings Berhad group.

9 Prepayments

	31 December 2024	31 December 2023
	SGD'000	SGD'000
The Group		
Current:		
Prepaid rental	31	127
Others	426	1,247
	457	1,374
Non-current:		
Others	-	23
	-	23

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10 Intangible assets

The Group	Club memberships SGD'000	Computer software SGD'000	Licensing fee SGD'000	Total SGD'000
Cost				
At 1 January 2023	76	1,311	855	2,242
Deconsolidation of a subsidiary	-	(471)	-	(471)
Exchange differences	(4)	(73)	(48)	(125)
At 31 December 2023	72	767	807	1,646
Written off	-	(598)	(430)	(1,028)
Exchange differences	5	(1)	23	27
At 31 December 2024	77	168	400	645
Accumulated amortisation				
At 1 January 2023	-	1,205	358	1,563
Deconsolidation of a subsidiary	-	(460)	-	(460)
Exchange differences	-	(62)	(20)	(82)
At 31 December 2023	-	683	338	1,021
Written off	-	(514)	(183)	(697)
Exchange differences	-	(1)	9	8
At 31 December 2024	-	168	164	332
Accumulated impairment loss				
At 1 January 2023	19	89	497	605
Exchange differences	(1)	(5)	(28)	(34)
At 31 December 2023	18	84	469	571
Written off	-	(84)	(247)	(331)
Exchange differences	1	-	14	15
At 31 December 2024	19	-	236	255
Net carrying amount				
At 31 December 2024	58	-	-	58
At 31 December 2023	54	-	-	54

Licensing fee relates to payment in respect of the Group's exclusive right to develop and operate bakery stores using the Hogan trademark and technical know-how in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11 Investment securities

	31 December 2024	31 December 2023
	SGD'000	SGD'000
The Group		
Non-current:		
<i>At fair value through other comprehensive income ("FVOCI")</i>		
Equity securities (unquoted)		
- Lion Insurance Company Limited	262	246

The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation. During the financial year ended 31 December 2024, the Group recognised a dividend of Nil (2023 - SGD8,000) from the investee.

12 Inventories

	31 December 2024	31 December 2023
	SGD'000	SGD'000
The Group		
Merchandise inventories, at net realisable value	29,460	23,123
	Year ended 31 December 2024	Year ended 31 December 2023
	SGD'000	SGD'000
The Group		
Inventories recognised as an expense in merchandise inventories and consumables used	68,344	71,817
Inclusive of the following charge/(credit):		
- Allowance for inventory shrinkage	96	84
- Write back of stock obsolescence	(528)	-

13 Cash and short-term deposits

	The Group		The Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	SGD'000	SGD'000	SGD'000	SGD'000
Cash and bank balances	3,836	8,648	22	1,200
Short-term deposits placed with				
- licensed banks	30,207	47,476	-	-
- financial institutions	90,854	45,951	-	-
	121,061	93,427	-	-
Cash and short-term deposits	124,897	102,075	22	1,200

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13 Cash and short-term deposits (Cont'd)

Cash at banks earn interest at floating rates based on daily bank deposits rates. Short-term deposits earn interests at the respective short-term deposit rates and have varying periods of maturities within twelve months (2023 - within twelve months). The weighted average effective interest rate of these short-term deposits for the Group as at 31 December 2024 was 3.4 % (2023 - 3.3%) per annum.

As at 31 December 2024, short-term deposits of SGD9,780,000 (2023 - SGD9,280,000) are pledged to a bank for facilities granted to a subsidiary (Note 19).

Cash and short-term deposits denominated in foreign currencies are as follows:

	The Group		The Company	
	31 December 2024 SGD'000	31 December 2023 SGD'000	31 December 2024 SGD'000	31 December 2023 SGD'000
Ringgit Malaysia	123,983	100,019	4	4
Myanmar Kyat	37	63	-	-
Singapore Dollar	18	1,196	18	1,196
Vietnamese Dong	45	107	-	-
United States Dollar	814	690	-	-
	124,897	102,075	22	1,200

14(a) Share capital

	The Group and The Company		The Company	
	31 December 2024 '000	31 December 2023 '000	31 December 2024 SGD'000	31 December 2023 SGD'000
	No. of ordinary shares			
Issued and fully paid with no par value:				
Balance at beginning and end of year	677,300	677,300	231,676	231,676

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14(b) Treasury shares

	The Group and The Company		The Company	
	31 December 2024 '000	31 December 2023 '000	31 December 2024 SGD'000	31 December 2023 SGD'000
	No. of ordinary shares			
Balance at beginning and end of year	3,500	3,500	549	549

Treasury shares relate to ordinary shares of the Company that are held by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15 Other reserves

	Note	The Group		The Company	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		SGD'000	SGD'000	SGD'000	SGD'000
Foreign currency translation reserve	(a)	(39,233)	(43,112)	(54,742)	(60,396)
Capital redemption reserve	(b)	1	1	-	-
Acquisition reserve	(c)	(2,762)	(2,762)	-	-
Capital contribution from ultimate holding company	(d)	8,833	8,833	-	-
Fair value reserve		198	198	-	-
Merger reserve	(e)	(123,753)	(123,753)	-	-
		(156,716)	(160,595)	(54,742)	(60,396)

- (a) Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of the Company and subsidiaries whose functional currencies are different from that of the Company's and the Group's presentation currency.
- (b) Capital redemption reserve arose from redemption of preference shares of a subsidiary, Parkson Corporation Sdn Bhd, in previous years.
- (c) Acquisition reserve mainly represents the discount on acquisition of 30% non-controlling interests of Parkson Edutainment World Sdn Bhd.
- (d) Capital contribution of SGD8,833,000 (2023 - SGD8,833,000) from ultimate holding company, Parkson Holdings Berhad ("PHB"), represents the equity-settled share options granted by PHB to eligible employees of the Group. This capital contribution is made up of the cumulative value of services received from eligible employees recorded on grant of share options under the PHB ESOS for eligible employees of the Group. In the financial year ended 31 December 2023, capital contribution of SGD1,126,000 had been transferred to accumulated losses upon deconsolidation of subsidiaries (Note 5(c)).
- (e) This represents the difference between the consideration paid and the paid-in capital of the subsidiaries when entities under common control are accounted for by applying the "pooling of interest method".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16 Trade and other payables

	Note	The Group		The Company	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		SGD'000	SGD'000	SGD'000	SGD'000
Current:					
Trade payables	(a)	94,999	91,199	-	-
Payables to suppliers of property, plant and equipment		-	218	-	-
Other payables	(b)	4,558	4,925	245	203
Sales tax payables		116	93	-	-
Rental deposits	(c)	206	207	-	-
Deferred lease income	(c)	11	10	-	-
Non-trade amounts due to:	(d)				
- ultimate holding company		25	22	-	-
- related companies		2,732	9,498	566	534
- a subsidiary		-	-	21,708	22,328
		102,647	106,172	22,519	23,065
Non-current:					
Rental deposits	(c)	336	154	-	-
Deferred lease income	(c)	12	10	-	-
		348	164	-	-
Total trade and other payables (current and non-current)		102,995	106,336	22,519	23,065
Add:					
Other liabilities	17(a)	14,367	11,265	247	743
Loans and borrowings	19	1,854	1,895	-	-
Lease liabilities	20	151,971	150,217	-	-
Less:					
Sales tax payables		(116)	(93)	-	-
Deferred lease income		(23)	(20)	-	-
Total financial liabilities carried at amortised cost		271,048	269,600	22,766	23,808

(a) Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms. These are all settled on an expected date.

Subsequent to the financial year ended 31 December 2024, the Group has repaid approximately SGD92,921,000 of the SGD94,999,000 current trade payables up to the date of this financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16 Trade and other payables (Cont'd)

(b) Other payables

Other payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

(c) Rental deposits (current and non-current)

Rental deposits are unsecured and non-interest bearing. Rental deposits have maturity ranging from 1 to 3 years (2023 - 1 to 3 years). The rental deposits are recognised initially at fair value. The difference between the fair value and the absolute deposit amount is recorded in deferred lease income.

(d) Amounts due to ultimate holding company/related companies/a subsidiary

On 30 October 2024, a wholly-owned subsidiary, Parkson Corporation Sdn Bhd declared an interim single tier tax dividend of SGD9,583,000 (RM32,800,000) to the Company. The amount due to PCSB to the extent of SGD9,583,000 was settled against this dividend from PCSB.

During the financial year ended 31 December 2024, the Company recorded advances of SGD7,304,000 (RM25,000,000) owing to PCSB.

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

17(a) Other liabilities

	The Group		The Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	SGD'000	SGD'000	SGD'000	SGD'000
Accrued operating expenses	4,685	2,766	-	-
Accrued staff costs	5,247	4,863	-	-
Accrued expenses for additions to property, plant and equipment	1,894	2,172	-	-
Accrued interest on loans from ultimate holding company	247	743	247	743
Provision for settlement of claims	1,544	-	-	-
Others	750	721	-	-
	14,367	11,265	247	743

The Group has made a provision for settlement of claims arising from the proposed settlement with a landlord for the full and final settlement of all disputes and claims.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17(b) Contract liabilities

	31 December 2024	31 December 2023
	SGD'000	SGD'000
The Group		
Deferred revenue from:		
- Gift cards/vouchers sold	5,177	5,029
- Customer loyalty award	1,262	1,172
	6,439	6,201

Contract liabilities relate to the Group's obligation to transfer goods to customers for which the Group has received advances from customers for the sale of vouchers and under the customer loyalty programme. 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. Contract liabilities are recognised as revenue as the Group performs under the contract.

Deferred revenue from vouchers sold

	31 December 2024	31 December 2023
	SGD'000	SGD'000
The Group		
At beginning of year	5,029	5,213
Arising during the year	9,511	10,888
Recognised as revenue	(9,350)	(10,385)
Write back	(316)	(365)
Exchange differences	303	(322)
At end of year	5,177	5,029

Deferred revenue from customer loyalty award

	31 December 2024	31 December 2023
	SGD'000	SGD'000
The Group		
At beginning of year	1,172	1,345
Additions, net	1,808	1,770
Recognised as revenue	(1,802)	(1,867)
Exchange differences	84	(76)
At end of year	1,262	1,172

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18 Provisions

	31 December 2024	31 December 2023
The Group	SGD'000	SGD'000
Provisions for restoration costs		
- Current	1,691	1,170
- Non-current	5,613	5,411
Total provisions for restoration costs	7,304	6,581

	31 December 2024	31 December 2023
The Group	SGD'000	SGD'000
At beginning of year	6,581	6,535
Additions (Note 4(a))	130	741
Reversal against property, plant and equipment	(23)	(201)
Unwinding of discount (Note 22(a))	197	243
Written off	-	(285)
Exchange differences	419	(452)
At end of year	7,304	6,581

19 Loans and borrowings

	31 December 2024	31 December 2023
The Group	SGD'000	SGD'000
Current		
Bank overdraft	58	210
Bankers' acceptance	1,796	1,685
Total loans and borrowings	1,854	1,895

The bank overdraft and banking facilities are secured by short-term deposits of SGD9,780,000 (2023 - SGD9,280,000) (Note 13) and a corporate guarantee from a subsidiary, Parkson Corporation Sdn Bhd ("PCSB"), in favour of a bank for facilities extended to another subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19 Loans and borrowings (Cont'd)

The weighted average effective interest rates at the reporting date are as follows:

The Group	31 December 2024	31 December 2023
Bank overdraft	7.7%	6.4%
Bankers' acceptance	4.4%	4.5%

As at 31 December 2024, the Group has unutilised banking facilities of approximately SGD1,937,000 (2023 - SGD2,346,000) and unutilised loan facility of approximately RM30,000,000 (2023 - RM30,000,000) with the ultimate holding company that are available for use.

20 Leases

The Group as lessee

The Group has lease contracts for retail and office premises, furniture and equipment and motor vehicles. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases with lease terms of 12 months or less and leases with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20 Leases (Cont'd)

The Group as lessee (Cont'd)

(a) *Right-of-use assets*

The carrying amount of right-of-use assets and movements are as follows:

The Group	Retail and office premises SGD'000	Furniture and equipment SGD'000	Motor vehicles SGD'000	Total SGD'000
Cost				
At 1 January 2023	364,580	2,649	165	367,394
Additions	5,995	-	-	5,995
Decrease arising from sublease	(327)	-	-	(327)
Derecognition	(9,749)	-	-	(9,749)
Deconsolidation of a subsidiary	(23,322)	-	-	(23,322)
Lease modifications	15,910	-	-	15,910
Exchange differences	(16,001)	-	-	(16,001)
At 31 December 2023	337,086	2,649	165	339,900
Additions	5,317	-	-	5,317
Decrease arising from sublease	(261)	-	-	(261)
Derecognition	(210)	-	(165)	(375)
Lease modifications	23,264	-	-	23,264
Exchange differences	16,292	-	-	16,292
At 31 December 2024	381,488	2,649	-	384,137
Accumulated depreciation				
At 1 January 2023	187,688	1,560	109	189,357
Depreciation for the year	32,382	388	30	32,800
Derecognition	(9,024)	-	-	(9,024)
Deconsolidation of a subsidiary	(2,939)	-	-	(2,939)
Exchange differences	(7,772)	-	-	(7,772)
At 31 December 2023	200,335	1,948	139	202,422
Depreciation for the year	37,092	388	26	37,506
Derecognition	(210)	-	(165)	(375)
Exchange differences	9,775	-	-	9,775
At 31 December 2024	246,992	2,336	-	249,328
Accumulated impairment loss				
At 1 January 2023	28,050	-	-	28,050
Deconsolidation of a subsidiary	(20,383)	-	-	(20,383)
Exchange differences	(624)	-	-	(624)
At 31 December 2023	7,043	-	-	7,043
Impairment loss	332	-	-	332
Reversal of impairment loss	(1,202)	-	-	(1,202)
Exchange differences	69	-	-	69
At 31 December 2024	6,242	-	-	6,242
Net book value				
At 31 December 2024	128,254	313	-	128,567
At 31 December 2023	129,708	701	26	130,435

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20 Leases (Cont'd)

The Group as lessee (Cont'd)

(a) *Right-of-use assets (Cont'd)*

The Group made an assessment on the recoverable amounts of certain underperforming stores as at the reporting date. The basis and key assumptions to the recoverable amounts are disclosed in Note 4(c).

As a result of the assessment, the Group recorded impairment charges of SGD332,000 (2023 - Nil) in respect of right-of-use assets of its underperforming stores.

In the financial year ended 31 December 2024, the Group reversed impairment losses of SGD1,202,000 (2023 - Nil) provided for in previous financial periods in respect of right-of-use assets of a store in Malaysia as the recoverable amount is higher than the carrying amount.

(b) *Lease liabilities*

Lease liabilities have been recognised for the remaining lease payments for the rental of retail and office premises, furniture and equipment and motor vehicles.

The movement of the lease liabilities are as follows:

	31 December	31 December
	2024	2023
	SGD'000	SGD'000
The Group		
At beginning of year	150,217	191,798
Additions	5,317	6,189
Accretion of interest	11,609	13,368
Rent concession (Note 24)	(243)	(323)
Payments	(45,943)	(44,560)
Lease modifications	23,264	16,903
Lease derecognition	-	(2,070)
Termination of leases*	-	(19,324)
Exchange differences	7,750	(11,764)
At end of year	151,971	150,217
Current	36,069	34,795
Non-current	115,902	115,422
	151,971	150,217

* Arose from termination of lease with the landlord for the leased premises located at Saigon Tourist Plaza (Note 5(c)).

The maturity analysis of lease liabilities is disclosed in Note 32.1 to the financial statements.

The weighted average incremental borrowing rate applied to measure the lease liabilities is 7.0% (2023 - 7.0%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20 Leases (Cont'd)

The Group as lessee (Cont'd)

(c) *Amounts recognised in consolidated profit or loss (Note 24)*

	Year ended 31 December 2024	Year ended 31 December 2023
	SGD'000	SGD'000
The Group		
Depreciation of right-of-use assets	37,506	32,800
Interest expense on lease liabilities (Note 22(a) and Note 26)	11,609	13,672
Variable lease payments	1,827	1,721
Short-term leases (Note 24 and Note 26)	3,577	6,837
Lease of low-value assets	20	77

(d) *Total cash outflows*

The Group had total cash outflows for leases of SGD51,367,000 (2023 - SGD53,195,000) during the financial year ended 31 December 2024.

(e) *Variable lease payments*

The leases for department stores contain variable lease payments that are based on a percentage of sales generated by the outlets ranging from 5% to 15% on top of fixed payments. These variable lease payments are recognised in consolidated profit or loss as and when incurred and amounted to SGD1,827,000 (2023 - SGD1,721,000) during the financial year ended 31 December 2024.

(f) *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 term are as follows:

	Within five years SGD'000	More than 5 years SGD'000	Total SGD'000
The Group			
As at 31 December 2024			
Extension options expected not to be exercised	33,603	68,461	102,064
As at 31 December 2023			
Extension options expected not to be exercised	28,284	66,950	95,234

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20 Leases (Cont'd)

The Group as intermediate lessor of sublease

The Group acts as an intermediate lessor under arrangements whereby it subleases out certain parts of its leased retail premises.

For the sublet of certain retail premises, the sublease periods do not form a major part of the remaining head lease terms and accordingly, their subleases are classified as operating lease. For the sublet of other retail premises, the subleases are classified as finance lease because these subleases are for substantial portion of the remaining head lease terms.

(g) *Sublease - classified as operating lease*

Income from subleasing certain retail premises of SGD1,789,000 (2023 - SGD2,259,000) for the financial year ended 31 December 2024 is included within revenue (Note 21) in the consolidated profit or loss.

Undiscounted lease payments from the sublease of the certain retail premises to be received after the reporting date are disclosed in Note 29(b) to the financial statements.

(h) *Sublease - classified as finance lease*

The Group's subleases of its certain right-of-use assets of the retail premises is accounted for by derecognising the right-of-use assets relating to the head leases and recognising the net investments in the sublease (Note 8(e)).

(i) *Amounts recognised in consolidated profit or loss*

Finance income on the net investments in sublease of SGD34,000 (2023 - SGD1,357,000) for the financial year ended 31 December 2024 is recognised in consolidated profit or loss (Note 22(a) and Note 26).

21 Revenue

	<u>Continuing operations</u>		<u>Discontinued operations</u>	
	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
The Group	SGD'000	SGD'000	SGD'000	SGD'000
Sale of goods - direct sales	94,733	104,113	-	-
Commissions from concessionaire sales	115,105	113,184	-	509
Consultancy and management service fees	480	446	-	-
Revenue from food and beverage operations	2,705	2,237	-	-
Revenue from contracts with customers	213,023	219,980	-	509
Rental income	1,789	1,604	-	655
Total revenue	214,812	221,584	-	1,164

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21 Revenue (Cont'd)

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product or service lines. A disaggregation of the Group's revenue for the financial reporting year is as follows:

	<----- Primary geographical markets ----->					
	<u>Continuing operations</u>			<u>Discontinued operations</u>		
	Malaysia		Vietnam		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
31 December	31 December	31 December	31 December	31 December	31 December	
	2024	2023	2024	2023	2024	2023
The Group	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Revenue						
Sale of goods - direct sales	94,733	104,113	-	-	94,733	104,113
Commissions from concessionaire sales	115,105	113,184	-	509	115,105	113,693
Food and beverage	2,705	2,237	-	-	2,705	2,237
Others	480	446	-	-	480	446
Revenue from contracts with customers	213,023	219,980	-	509	213,023	220,489
Rental income	1,789	1,604	-	655	1,789	2,259
Total revenue	214,812	221,584	-	1,164	214,812	222,748

Timing of transfer of goods or services

Total revenue from contracts with customers						
- at point in time	213,023	219,980	-	509	213,023	220,489

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

22(a) Finance income/costs

	Note	Year ended 31 December 2024 SGD'000	Year ended 31 December 2023 SGD'000
The Group			
Finance income			
Interest income on net investments in sublease	20(i)	34	40
Interest income on short-term deposits		3,575	2,749
Discount adjustment on rental deposit receivables		174	226
Interest income on loan to a former subsidiary		-	167
		3,783	3,182
Finance costs			
Interest expense on lease liabilities		11,609	12,151
Interest expense on loans and borrowings		65	127
Discount adjustment on:			
- Rental deposit payables		11	8
- Provisions for restoration costs	18	197	243
		11,882	12,529

22(b) Other income

	Note	Year ended 31 December 2024 SGD'000	Year ended 31 December 2023 SGD'000
The Group			
Cash discount from suppliers		599	652
Promotion income		72	69
Income recognised from expired vouchers		316	365
Gain on disposal of property, plant and equipment		14	5
Dividend income from investment securities		-	8
Recoverable expense from sub-tenant		-	7
Portal usage/B2B income		408	409
Reversal of impairment loss of:			
- trade receivables	8(a)	19	-
- property, plant and equipment	4(c)	330	-
- right-of-use assets	20(a)	1,202	-
Reversal of allowance for slow moving stocks	12	528	-
Income from sublease		319	-
Commission income from third party		1,266	1,301
Other sundry income		418	1,122
		5,491	3,938

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23 Employee benefits expense

	Year ended 31 December 2024	Year ended 31 December 2023
	SGD'000	SGD'000
The Group		
Wages, salaries and bonuses	28,459	27,255
Contribution to defined contribution plans	3,434	3,333
Other staff related expenses	5,453	5,195
	37,346	35,783

Included in employee benefits expense of the Group are remuneration of directors, chief executive officer and key management personnel as further disclosed in Note 28(c) to the financial statements.

24 Profit from continuing operations, before tax

	Year ended 31 December 2024	Year ended 31 December 2023
	SGD'000	SGD'000
The Group		

Profit from continuing operations, before tax has been arrived at after charging/(crediting):

Audit fees:

- Auditors of the Company
- Other auditors

Non-audit fees:

- Auditors of the Company

Total audit and non-audit fees

178	176
105	107
5	5
288	288

Depreciation and amortisation expense:

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

4	6,515	6,292
20(c)	37,506	32,800
	44,021	39,092

Operating lease expenses:

- Short-term leases
- Lease of low-value assets
- Variable lease payments
- Amortisation of deferred lease

Less: Rent concession

20(c)	3,572	5,680
20(c)	20	77
20(c)	1,827	1,721
	27	10
20(b)	(243)	(323)
	5,203	7,165

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24 Profit from continuing operations, before tax (Cont'd)

	Note	Year ended 31 December 2024 SGD'000	Year ended 31 December 2023 SGD'000
The Group			
Profit from continuing operations, before tax has been arrived at after charging/(crediting): (Cont'd)			
(Reversal)/allowance for expected credit loss on trade and other receivables, net	8(a)	(19)	104
Directors' fees	28(c)	186	187
Property, plant and equipment written off	4	52	352
Gain on disposal of property, plant and equipment	4	(14)	(5)
Net reversal of impairment losses (included in other expenses):			
- property, plant and equipment	4	(251)	-
- rights-of-use assets	20(a)	(870)	-
Allowance for inventory shrinkage	12	96	84
Write back of stock obsolescence	12	(528)	-
Utilities		6,700	6,720
Loss from discontinued operations, net of tax has been arrived at after charging/(crediting):			
Audit fees:			
- Other auditors		-	15
Depreciation and amortisation expense:			
- property, plant and equipment	4	-	5
Operating lease expenses:			
- Short-term leases	20(c)	5	1,157
Allowance for expected credit loss on trade and other receivables, net	26	-	3,889
Loss on termination of subleases	8(f), 26	-	28,584
Gain on termination of lease with landlord	20(b), 26	-	(19,324)
Utilities		3	1,481

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25 Taxation

(a) Major components of income tax expense

The major components of income tax expense are as follows:

	Year ended 31 December 2024 SGD'000	Year ended 31 December 2023 SGD'000
The Group		
Current income tax		
- Current year	10,270	11,962
- Under provision in respect of previous years	1,943	55
	12,213	12,017
Deferred income tax (Note 7)		
- Origination and reversal of temporary differences	(755)	(751)
- Over provision in respect of previous years	(131)	(18)
	(886)	(769)
Income tax expense recognised in profit or loss	11,327	11,248

(b) Relationship between income tax expense and loss before tax

Reconciliation between income tax expense and the product of profit before tax multiplied by the applicable corporate tax rates for the financial years ended 31 December 2024 and 31 December 2023 is as follows:

	Year ended 31 December 2024 SGD'000	Year ended 31 December 2023 SGD'000
The Group		
Profit before taxation		
- Continuing operations	35,446	40,817
- Discontinued operations (Note 26)	(1)	(4,379)
	35,445	36,438
Tax at the domestic tax rates applicable to the countries where the Group operates	8,588	9,412
Tax effect on non-deductible expenses ⁽¹⁾	2,237	2,710
Income not subject to taxation ⁽²⁾	(1,298)	(796)
Deferred tax assets not recognised*	103	183
Utilisation of previously unrecognised tax losses	(115)	(298)
Under/(over) provision in respect of previous years:		
- current taxation	1,943	55
- deferred taxation	(131)	(18)
Income tax expense recognised in profit or loss	11,327	11,248

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25 Taxation (Cont'd)

(b) Relationship between income tax expense and loss before tax (Cont'd)

- * Deferred tax asset not recognised arises mainly from the loss-making subsidiaries of the Group.
- (1) Expenses not deductible for tax purposes relate mainly to depreciation and amortisation of non-qualifying assets and other disallowed expenses incurred in the ordinary course of business.
- (2) Income not subject to tax relate mainly to non-taxable income occurred in the ordinary course of business.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction. A summary of domestic tax rates by country where the Group mainly operates is as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
The Group	%	%
Malaysia	24	24
Vietnam	20	20
Singapore	17	17

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26 Discontinued operations

(a) The results of the discontinued operations are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
	SGD'000	SGD'000
The Group		
Revenue	-	1,164
Other items of income		
Finance income:	1	1,317
- Net investment in subleases (Note 20(i))	-	1,317
- Interest income	1	-
Other income	6	253
Items of expense		
Changes in merchandise inventories and consumables	-	(8)
Employee benefits expense	-	(493)
Depreciation and amortisation expenses	-	(5)
Promotional and advertising expenses	-	(26)
Operating lease expenses (Note 20(c))	(5)	(1,157)
Finance costs	-	(1,521)
Allowance/(reversal) for expected credit loss on trade and other receivables, net	-	(3,889)
Loss on termination of subleases (Note 8(e))	-	(28,584)
Gain on termination of lease with landlord (Note 20(b))	-	19,324
Other expenses	(3)	(1,082)
Loss before taxation from operating activities, before tax	(1)	(14,707)
Income tax	-	-
Loss from operating activities, net of tax	(1)	(14,707)
Gain on deconsolidation of subsidiaries (Note 5(c))	-	10,328
Loss from discontinued operations, net of tax	(1)	(4,379)

In the financial year ended 31 December 2023, Parkson Vietnam Co Ltd ("Parkson Vietnam") and its directly-owned subsidiary, Parkson Vietnam Management Services Co Ltd were classified as discontinued operations on the premise that the operating results of Parkson Vietnam are regularly reported and reviewed by the chief of decision making where Vietnam is a separate geographical area of operations. Following the filing of the Application (Note 5(c)), Parkson Vietnam had ceased operations in August 2023. As at 31 December 2023, included in the Group's discontinued operations were Parkson Haiphong Co Ltd ("PHP"), Parkson Vietnam, and Parkson Vietnam Management Services Co Ltd.

As at 31 December 2024, included in the Group's discontinued operations relates to only PHP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26 Discontinued operations (Cont'd)

- (b) Earnings/(loss) per share from discontinued operations is disclosed in Note 27 to the financial statements.
- (c) The impact of the discontinued operations on the cash flows of the Group are as follows:

The Group	Year ended 31 December 2024 SGD'000	Year ended 31 December 2023 SGD'000
Cash inflow/(outflow) from:		
- Operating activities	30	(3,241)
- Investing activities	-	6,102
- Financing activities	(71)	(3,241)
Net decrease in cash and short-term deposits	(41)	(380)

27 Earnings/(loss) per share

Basic earnings/(loss) per share from continuing/discontinued operations are calculated by dividing the net profit/(loss) from continuing/discontinued operations, net of tax, attributable to ordinary equity owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following table reflects the data used in the computation of basic earnings/(loss) per share from continuing/discontinued operations for the financial years ended 31 December 2024 and 31 December 2023:

The Group	2024	2023
Profit for the year attributable to owners of the Company (SGD'000)	24,123	25,197
Loss from discontinued operations, net of tax, attributable to owners of the Company (SGD'000)	(1)	(4,379)
Profit from continuing operations, net of tax, attributable to owners of the Company used in the computation of basic earnings per share from continuing operations (SGD'000)	24,124	29,576
Weighted average number of ordinary shares for basic earnings per share computation ('000)	673,800	673,800
Basic earnings/(loss) per share (cents) attributable to equity owners of the Company		
- From continuing operations	3.58	4.39
- From discontinued operations	(0.00)*	(0.65)
- From continuing and discontinued operations	3.58	3.74

* Amount less than 0.01 cents

There are no potential dilution effects on the ordinary shares of the Company. Accordingly, the basic and diluted earnings per share for the financial years ended 31 December 2024 and 31 December 2023 are the same.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28 Significant related party transactions

(a) Sales and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Year ended 31 December 2024 SGD'000	Year ended 31 December 2023 SGD'000
The Group		
Sale of vouchers to related company:		
- Posim Petroleum Marketing Sdn Bhd	50	71
Sale of goods and services to subsidiary of the ultimate holding company:		
- Parkson Branding Sdn Bhd	118	299
Purchase of goods and services from related companies:		
- Secom (Malaysia) Sdn Bhd	212	191
- Posim Marketing Sdn Bhd	198	111
- Brands Pro Management Sdn Bhd	94	114
	504	416
Purchase of goods and services from subsidiary of the ultimate holding company:		
- Parkson Branding Sdn Bhd	2,657	3,316
Income from related company for bonus points redemption by cardholders:		
- Bonuskad Loyalty Sdn Bhd	1,630	2,162
Marketing fee expense to related company for bonus points issued:		
- Bonuskad Loyalty Sdn Bhd	1,570	1,662
Rental of office space expense to related company:		
- Visionwell Sdn Bhd	197	206
Royalty expense to subsidiary of the ultimate holding company:		
- Parkson Services Pte Ltd	106	110
Management fee income from subsidiary of the ultimate holding company:		
- Festival City Sdn Bhd	480	446

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28 Significant related party transactions (Cont'd)

(b) Loan from ultimate holding company/related companies

	Year ended 31 December 2024 SGD'000	Year ended 31 December 2023 SGD'000
The Group		
Interest expense charged by the ultimate holding company:		
- Parkson Holdings Berhad	-	13
Repayment of advances to ultimate holding company:		
- Parkson Holdings Berhad	-	2,059
Repayment of advances to related companies:		
- Parkson Branding Sdn Bhd	2,883	-
- Prestasi Serimas Sdn Bhd	5,174	-
	Year ended 31 December 2024 SGD'000	Year ended 31 December 2023 SGD'000
The Company		
Advances from:		
- Parkson Corporation Sdn Bhd	7,684	12,092
Advances to:		
- Solid Gatelink Sdn Bhd	5,259	-
- Parkson Lifestyle Sdn Bhd	2,045	-
Dividends from:		
- Parkson Corporation Sdn Bhd (Note 16(d))	9,583	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28 Significant related party transactions (Cont'd)

(c) Compensation of key management personnel

	Year ended 31 December 2024 SGD'000	Year ended 31 December 2023 SGD'000
The Group		
Directors' fees	186	187
Short-term employee benefits	551	494
Contribution to defined contribution plans	47	43
	784	724
Comprise:		
Directors of the Company	186	187
Other key management personnel	598	537
	784	724

No employee share options were granted to key management personnel.

29 Commitments

(a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	31 December 2024 SGD'000	31 December 2023 SGD'000
The Group		
Capital commitments in respect of property, plant and equipment	87	787

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29 Commitments (Cont'd)

(b) Operating lease commitments – as intermediate lessor

The Group has entered into commercial subleases on its department stores classified as operating leases. These non-cancellable subleases have remaining lease terms of not more than 3 years (2023 - 4 years) with terms of renewal included in the contracts.

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	31 December	31 December
	2024	2023
	SGD'000	SGD'000
The Group		
Not later than one year	364	473
Later than one year and not later than five years	141	389
Later than five years	-	-
	505	862

30 Contingent liabilities

The Group

As at 31 December 2024, the Group has provided financial guarantees to financial institutions for credit facilities totalling SGD3,354,000 (2023 - SGD3,159,000) granted to subsidiaries for which the Group is exposed to liabilities which are capped at SGD1,880,000 (2023 - SGD2,033,000). As at the reporting date, the banking facilities utilised stood at SGD1,880,000 (2023 - SGD2,033,000). In the opinion of the directors of the Group, the extent of the financial guarantee contracts to be triggered is remote.

The Company

As at 31 December 2024, the Company has provided a financial guarantee to a financial institution for credit facilities totalling SGD610,000 (2023 - SGD574,000) granted to subsidiaries for which the Company is exposed to liabilities which are capped at SGD26,000 (2023 - SGD137,000). There are no corporate guarantees provided by the Company as at 31 December 2024 and 31 December 2023.

As at the reporting date, the fair value of the financial guarantee determined based on the expected loss arising from the risk of default is negligible as the likelihood of the financial guarantee contract to be materialised is unlikely.

31 Segment information

The Group has two operating segments - the operation and management of (i) retail stores and (ii) food and beverage. For management purposes, the Group is organised into business units based on the geographical location of customers and assets, and has three reportable segments as follows:

- (a) Malaysia
- (b) Vietnam
- (c) Others - Myanmar and Cambodia

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31 Segment information (Cont'd)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Certain expenses are managed on a group basis and are not allocated to operating segments.

2024	Continuing operations				Discontinued operations	
	Retail stores		Food and beverage operations		Retail stores	
The Group	Malaysia	Vietnam	Others	Malaysia	Adjustments and eliminations	Total
Note	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Revenue:						
Sales to external customers	212,107	-	-	2,705	-	214,812
Segment results:						
Depreciation and amortisation expenses:						
- Property, plant and equipment	(6,508)	-	-	(7)	-	(6,515)
- Right-of-use assets	(37,275)	-	-	(231)	-	(37,506)
Reversal for expected credit loss on trade and other receivables	8	-	-	11	-	19
Net reversal/(impairment) on:						
- Property, plant and equipment	251	-	-	-	-	251
- Right-of-use assets	956	-	-	(86)	-	870
Operating lease expenses	(5,184)	(11)	-	(8)	-	(5,203)
Finance income	3,777	-	-	6	-	3,783
Finance costs	(11,824)	-	-	(58)	-	(11,882)
Income tax	(11,327)	-	-	-	-	(11,327)
Segment profit/(loss)	(a) 30,019	(235)	(293)	(413)	(4,959)	24,119
Other segment information						
Additions to non-current assets	14,166	-	-	41	-	14,207
Segment assets	313,030	28	1,997	1,236	6	316,297
Segment liabilities	277,113	576	2,996	2,733	876	284,294
						194
						520
						(1)

* Represents Parkson Hai Phong Co Ltd ("PHP").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31 Segment information (Cont'd)

(a) Adjustment and eliminations

The following items are added to/(deducted from) the segment profit/(loss) to arrive at "profit for the year" presented in the consolidated income statement:

	Year ended 31 December 2024 SGD'000	Year ended 31 December 2023 SGD'000
The Group		
Continuing operations:		
Corporate expenses	(4,995)	(3,917)
Net profit/(loss) from company previously in theme park and education centre operations	36	(50)
	(4,959)	(3,967)
Discontinued operations:		
Gain on deconsolidation of subsidiaries	-	10,328

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

	31 December 2024 SGD'000	31 December 2023 SGD'000
The Group		
Malaysia	149,438	147,937

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets and intangible assets as presented in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31 Segment information (Cont'd)

(b) Reconciliation of reportable segment assets and liabilities

	31 December	31 December
	2024	2023
	SGD'000	SGD'000
The Group		
Assets		
Total reportable segment assets	316,491	288,735
Deferred tax assets	6,789	5,523
Sales tax receivables	1,109	804
Tax recoverable	50	46
Consolidated total assets	324,439	295,108
Liabilities		
Total reportable segment liabilities	284,814	282,402
Sales tax payables	116	93
Tax payables	872	1,968
Consolidated total liabilities	285,802	284,463

32 Financial risk management

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, credit risk, foreign currency risk and interest rate risk. The management reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current financial year and previous financial years, the Group's policy that no trading in derivative for speculative purposes shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies, and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks throughout the years under review.

32.1 Liquidity risk

Liquidity is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities and to maintain sufficient levels of cash including short term deposits to meet its working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32 Financial risk management (Cont'd)

32.1 Liquidity risk (Cont'd)

Unutilised credit facilities are disclosed in Note 19 to the financial statements.

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Group's and the Company's financial assets and financial liabilities at the end of the reporting period based on contractual undiscounted cash flows:

	Less than 1 year SGD'000	Between 1 and 5 years SGD'000	Over 5 years SGD'000	Total SGD'000
The Group				
At 31 December 2024				
Financial assets				
Trade and other receivables (excluding net investments in sublease)	6,624	4,029	-	10,653
Net investments in sublease	435	809	178	1,422
Investment securities	-	-	262	262
Cash and short-term deposits	124,897	-	-	124,897
Total undiscounted financial assets	131,956	4,838	440	137,234
Financial liabilities				
Trade and other payables	102,520	336	-	102,856
Other liabilities	14,367	-	-	14,367
Lease liabilities	46,301	109,812	32,397	188,510
Loans and borrowings	1,854	-	-	1,854
Total undiscounted financial liabilities	165,042	110,148	32,397	307,587
Total net undiscounted financial liabilities	(33,086)	(105,310)	(31,957)	(170,353)
Financial guarantees for subsidiaries	1,880	-	-	1,880

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32 Financial risk management (Cont'd)

32.1 Liquidity risk (Cont'd)

The Group	Less than 1 year SGD'000	Between 1 and 5 years SGD'000	Over 5 years SGD'000	Total SGD'000
At 31 December 2023				
Financial assets				
Trade and other receivables (excluding net investments in sublease)	9,442	3,711	-	13,153
Net investments in sublease	220	436	245	901
Investment securities	-	-	246	246
Cash and short-term deposits	102,075	-	-	102,075
Total undiscounted financial assets	111,737	4,147	491	116,375
Financial liabilities				
Trade and other payables	106,069	154	-	106,223
Other liabilities	11,265	-	-	11,265
Lease liabilities	42,426	106,042	41,293	189,761
Loans and borrowings	1,895	-	-	1,895
Total undiscounted financial liabilities	161,655	106,196	41,293	309,144
Total net undiscounted financial liabilities	(49,918)	(102,049)	(40,802)	(192,769)
Financial guarantees for subsidiaries	2,033	-	-	2,033

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32 Financial risk management (Cont'd)

32.1 Liquidity risk (Cont'd)

The Company	Less than 1 year SGD'000	Between 1 and 5 years SGD'000	Over 5 years SGD'000	Total SGD'000
At 31 December 2024				
Financial assets				
Cash and short-term deposits	22	-	-	22
Total undiscounted financial assets	22	-	-	22
Financial liabilities				
Trade and other payables	22,519	-	-	22,519
Other liabilities	247	-	-	247
Total undiscounted financial liabilities	22,766	-	-	22,766
Total net undiscounted financial liabilities	(22,744)	-	-	(22,744)
Financial guarantee for subsidiaries	26	-	-	26
At 31 December 2023				
Financial assets				
Cash and short-term deposits	1,200	-	-	1,200
Total undiscounted financial assets	1,200	-	-	1,200
Financial liabilities				
Trade and other payables	23,065	-	-	23,065
Other liabilities	743	-	-	743
Total undiscounted financial liabilities	23,808	-	-	23,808
Total net undiscounted financial liabilities	(22,608)	-	-	(22,608)
Financial guarantee for subsidiaries	137	-	-	137

The amount included above for financial guarantee contract is the maximum amount the Group can be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the reporting date, the management considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32 Financial risk management (Cont'd)

32.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group's and the Company's exposure to credit risk which will cause a financial loss to the Group and the Company due to failure to discharge an obligation by the counterparties and financial guarantee provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the statements of financial position; and
- the maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

Information regarding the expected credit loss allowance is disclosed in Note 8 to the financial statements.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group minimises credit risk by dealing with exclusively with high credit rating counterparties. In addition, receivable balances are monitored on an ongoing basis.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments when they fall due and there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

The Group determined that its financial assets are credit-impaired when:

- there is significant difficulty of the issuer or the debtor;
- there is a breach of contract, such as a default or past due event occurs; and
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group's and the Company's exposure to credit risk arise primarily from trade and other receivables, and cash and short-term deposits placed with financial institutions. Cash and short-term deposits are held with reputable financial institutions. For trade receivables, the Group adopts the policy of dealing only with recognised and creditworthy third parties. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties. The Group has provided specific impairment of Nil (2023 - SGD109,000) and to the extent of general provision on expected credit losses (lifetime), it is regarded as insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32 Financial risk management (Cont'd)

32.2 Credit risk (Cont'd)

Excessive risk concentration and exposure to credit risk

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties of similar characteristics.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as disclosed in Note 30 to the financial statements.

Credit risk concentration profile

The Group engages solely in the operation and management of department stores in Malaysia during the financial year ended 31 December 2024.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Financial guarantee

The Group has issued financial guarantees to a bank for borrowings of a subsidiary in Malaysia. The guarantee is subject to the impairment requirements of SFRS(I) 9. The Group has assessed that the subsidiary has the financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from this guarantee.

The maximum exposure of the Group is in respect of its intra-group financial guarantee (Note 30) at the reporting date as if the facilities are drawn down up to the amount of SGD3,354,000 (2023 - SGD3,159,000).

32.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group's operations are primarily conducted in Malaysia in Malaysian Ringgit.

The Group's entities hold cash and short-term deposits denominated in foreign currencies for working capital purposes and have transactional currency exposures arising from purchases that are denominated in foreign currencies. In addition, the Group's entities also receive/pay certain rental deposits from/to their tenants/landlords which are denominated in foreign currencies. At the end of the reporting period, such foreign currency denominated balances are mainly in United States Dollar ("USD").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32 Financial risk management (Cont'd)

32.3 Currency risk (Cont'd)

The Company's and the Group's currency exposures to the USD at the reporting date were as follows:

	The Group		The Company	
	31 December	31 December	31 December	31 December
	2024	2023	2024	2023
	SGD'000	SGD'000	SGD'000	SGD'000
Financial assets				
Cash and cash equivalents	814	690	-	-
Currency exposures	814	690	-	-

Sensitivity analysis for foreign currency risk

A reasonably possible change in the USD exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant would not result in a significant change to the Group's profit net of tax and equity.

32.4 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from loans and borrowings and cash and deposits placed with financial institutions.

The interest rates of cash and short-term deposits placed with financial institutions, interest-bearing loans and borrowings are disclosed in Notes 13 and 19 to the financial statements respectively.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

	Within 1 year	2 - 5 years	Over 5 years	Total
The Group	SGD'000	SGD'000	SGD'000	SGD'000
31 December 2024				
Floating rate				
Short-term deposits	121,061	-	-	121,061
Bank borrowings:				
- Bank overdraft	(58)	-	-	(58)
- Bankers' acceptance	(1,796)	-	-	(1,796)
	119,207	-	-	119,207

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32 Financial risk management (Cont'd)

32.4 Interest rate risk (Cont'd)

The Group	Within 1 year SGD'000	2 - 5 years SGD'000	Over 5 years SGD'000	Total SGD'000
31 December 2023				
Floating rate				
Short-term deposits	93,427	-	-	93,427
Bank borrowings:				
- Bank overdraft	(210)	-	-	(210)
- Bankers' acceptance	(1,685)	-	-	(1,685)
	91,532	-	-	91,532

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months. The other financial instruments of the Group that are not included in the above table are not subject to interest rate risks.

The Company's financial instruments are not subject to interest rate risks.

Sensitivity analysis for interest rate risk

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of reporting period and on the assumption that the change took place at the beginning of the financial period and is held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions.

The Group	<----- Increase/(Decrease) ----->			
	Year ended 31 December 2024		Year ended 31 December 2023	
	Profit after taxation SGD'000	Equity SGD'000	Profit after taxation SGD'000	Equity SGD'000
Interest rate				
- decreased by 1% per annum	(906)	(906)	(696)	(696)
- increased by 1% per annum	906	906	696	696

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32 Financial risk management (Cont'd)

32.5 Market price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Company and the Group do not hold any quoted or marketable financial instrument, hence is not exposed to any movement in market prices.

33 Fair value measurement

(i) Definition of fair value

SFRS(I)s define fair value as 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.

(ii) Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : unobservable inputs for the asset or liability.

		Level 1	Level 2	Level 3	Total
The Group	Note	SGD'000	SGD'000	SGD'000	SGD'000

At 31 December 2024

Assets

Financial assets - FVOCI	11	-	-	262	262
--------------------------	----	---	---	------------	------------

At 31 December 2023

Assets

Financial assets - FVOCI	11	-	-	246	246
--------------------------	----	---	---	-----	-----

The fair value of financial instruments that are not traded in an active market is determined by using valuation technique. The Group uses income approach to determine fair value for the financial instruments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

33 Fair value measurement (Cont'd)

(ii) Fair value measurement of financial instruments (Cont'd)

There were no transfers into or out of fair value hierarchy levels for financial years ended 31 December 2024 and 31 December 2023.

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Fair value measurements at FVOCI

Description	Valuation techniques	Unobservable inputs	31 December 2024	31 December 2023
Unquoted equity securities	Dividend discount approach	Cost of equity	7.15%	8.19%
		Dividend yield	20% - 30%	20% - 30%

Changing one or more of the inputs to reasonably possible assumptions would not significantly change the fair value of the financial asset.

The following table presents the reconciliation for the assets measured at fair value based on significant unobservable inputs (Level 3):

	31 December 2024	31 December 2023
	SGD'000	SGD'000
The Group		

Financial assets at FVOCI

Unquoted equity securities		
Balance at beginning of year	246	261
Exchange differences	16	(15)
Balance at end of year	262	246

(iii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

Current trade and other receivables (Note 8), cash and short-term deposits (Note 13), current trade and other payables (Note 16), other liabilities (Note 17(a)) and loans and borrowings (Note 19) are a reasonable approximation of fair values due to their short term nature.

The carrying amounts of non-current rental deposits receivables (Note 8) and non-current rental deposits payables (Note 16) are a reasonable approximation of fair values. The fair values of these financial assets and liabilities are calculated by discounting future cash flows at incremental market rates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34 Capital management

The Group's and the Company's objectives when managing capital are:

- (a) to safeguard the Group's and the Company's ability to continue as a going concern;
- (b) to support the Group's and the Company's stability and growth;
- (c) to maintain a strong credit rating and healthy capital ratios to support its business; and
- (d) to provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. The Group currently does not adopt any formal dividend policy.

The Group is not subject to any externally imposed capital requirements.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

In so far as to the Group's legal exposures as disclosed in Note 35 to the financial statements, the management has considered and is of the view that the impact will be limited and contained to the Group's capital contribution in the entity in each of the jurisdictions.

35 Status of litigations

Parkson (Cambodia) Co Ltd ("PCCO")

The legal proceeding between the Group's wholly-owned subsidiary, PCCO and lessor was fully described in the 2023 Annual Report.

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

The Default Judgment is only applicable against PCCO and does not extend to the Company, the Company's other subsidiaries nor its holding companies. The default judgement, if not set aside, will need to be recorded by the Group although the management is of the view that execution of which will be limited to the Group's capital contribution in PCCO which has previously been fully provided for. The Group had also previously recognised full impairment loss on the security deposit, advance rental as well as property, plant and equipment in respect of the relevant store in Cambodia.

There has been no further update during the financial year ended 31 December 2024.

Parkson Corporation Sdn Bhd ("PCSB")

The legal proceeding between the Group's wholly-owned subsidiary, PCSB and PKNS Andaman Development Sdn Bhd ("PKNS") is fully described in the 2023 Annual Report.

On 15 January 2025, the High Court fixed the date for decision or clarification on 7 May 2025.

SHAREHOLDING STATISTICS

AS AT 13 MARCH 2025

NUMBER OF SHARES ISSUED (EXCLUDING TREASURY SHARES)	:	673,800,000
NUMBER / PERCENTAGE OF TREASURY SHARES	:	3,500,000 / 0.52%
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE (1) VOTE PER SHARE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1 - 99	2	0.26	13	0.00
100 - 1,000	70	9.13	42,587	0.01
1,001 - 10,000	198	25.81	1,194,367	0.18
10,001 - 1,000,000	469	61.15	51,078,934	7.58
1,000,001 and above	28	3.65	621,484,099	92.23
TOTAL	767	100.00	673,800,000	100.00

TWENTY LARGEST SHAREHOLDERS

NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
UOB KAY HIAN PTE LTD	473,711,800	70.31
RAFFLES NOMINEES (PTE) LIMITED	30,133,600	4.47
HO BENG SIANG	23,459,500	3.48
HSBC (SINGAPORE) NOMINEES PTE LTD	17,195,100	2.55
DBS NOMINEES PTE LTD	16,926,900	2.51
ABN AMRO CLEARING BANK N.V.	8,437,200	1.25
PHILLIP SECURITIES PTE LTD	6,491,200	0.96
CITIBANK NOMINEES SINGAPORE PTE LTD	5,410,333	0.80
TAN YONG NEE	4,251,600	0.63
MAYBANK SECURITIES PTE. LTD.	3,660,066	0.54
SIM MONG CHUAN MERVYN (SHEN MAOQUAN)	2,900,000	0.43
LEONG MUN SUM @ LEONG HENG WAN	2,458,700	0.36
CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD	2,456,000	0.37
LIN YONG SHENG DESMOND	2,293,100	0.34
PENG MEI FERN	2,049,500	0.31
IFAST FINANCIAL PTE LTD	2,010,400	0.30
OCBC NOMINEES SINGAPORE PTE LTD	1,826,800	0.27
LIM CHIN HIAN	1,800,000	0.27
OCBC SECURITIES PRIVATE LTD	1,726,000	0.26
CHIANG KUO CHIANG	1,700,000	0.25
TOTAL	610,897,799	90.66

SHAREHOLDING STATISTICS

AS AT 13 MARCH 2025

SUBSTANTIAL SHAREHOLDER

(As recorded in the Register of Substantial Shareholders as at 13 March 2025)

	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%
East Crest International Limited	457,933,300	67.963	-	-
Parkson Holdings Berhad ⁽¹⁾	-	-	457,933,300	67.963
Lion Industries Corporation Berhad ⁽²⁾	-	-	457,933,300	67.963
Tan Sri Cheng Heng Jem ⁽³⁾	500,000	0.074	457,933,300	67.963

Notes:-

- (1) Parkson Holdings Berhad ("**PHB**") is the sole shareholder of East Crest International Limited ("**ECIL**"), and is deemed to be interested in the Shares held by ECIL by virtue of Section 4 of the Securities and Future Act 2001 of Singapore (the "**SFA**").
- (2) Lion Industries Corporation Berhad ("**LICB**") holds, directly and indirectly, not less than 20% of the voting shares in PHB, which is the sole shareholder of ECIL. As such, LICB is deemed to be interested in the Shares held by ECIL by virtue of Section 4 of the SFA.
- (3) Tan Sri Cheng Heng Jem holds, directly and indirectly, not less than 20% of the voting shares in PHB, which is the sole shareholder of ECIL. As such, Tan Sri Cheng Heng Jem is deemed to be interested in the Shares held by ECIL by virtue of Section 4 of the SFA.

Percentage of Shareholding in the Hands of Public

As at 13 March 2025, 31.96% of the issued share capital of the Company was held in the hands of the public (based on the information available to the Company). Accordingly, the Company has complied with Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Parkson Retail Asia Limited (“**the Company**”) will be held at the Crowne Plaza Changi Airport, Alstonia, Level 2, 75 Airport Boulevard, Singapore 819664 on Friday, 25 April 2025 at 10.30 a.m. for the purposes of transacting the following businesses:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Directors’ Statement and Auditor’s Report.
(Resolution 1)
2. To re-elect Tan Sri Cheng Heng Jem who is retiring pursuant to Article 91 of the Constitution of the Company.
(Resolution 2)
[see explanatory note (i)]
3. To re-elect Chai Woon Chew who is retiring pursuant to Article 91 of the Constitution of the Company.
(Resolution 3)
[see explanatory note (ii)]
4. To approve the payment of Directors’ fees of up to S\$250,000 for the financial year ending 31 December 2025, payable quarterly in arrears (31 December 2024: S\$250,000).
(Resolution 4)
5. To re-appoint Messrs Foo Kon Tan LLP as the Auditor of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 5)
6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. Authority to issue shares

“That, pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”) and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:-
 - (a) (i) issue shares in the capital of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

Provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below). Unless prior shareholder approval is required under the Listing Manual of the SGX-ST, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares excluding treasury shares and subsidiary holdings is based on the Company's total number of issued shares excluding treasury shares and subsidiary holdings at the time this Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
- provided further that adjustments in accordance with sub-paragraphs (2)(i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 6)

[see explanatory note (iii)]

NOTICE OF ANNUAL GENERAL MEETING

8. Proposed Renewal of the General Mandate for Interested Person Transactions

“That:-

- (a) approval be and is hereby given for the Company, its subsidiaries and associated companies which fall within the definition of “entities at risk” under Chapter 9 of the Listing Manual of the SGX-ST or any of them to enter into any transaction falling within the categories of interested person transactions set out in the Company’s circular to Shareholders dated 10 April 2025 (the “**Circular**”), with any party who is of the class or classes of interested persons described in the Circular, provided that such transaction is made on normal commercial terms and is not prejudicial to the Company and its minority shareholders, and is entered into in accordance with the review procedures for interested person transactions as set out in the Circular (such shareholders’ general mandate hereinafter called the “**IPT Mandate**”);
- (b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or until the date on which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier;
- (c) the audit committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual of the SGX-ST which may be prescribed by the SGX-ST from time to time; and
- (d) the Directors and each of them be and are hereby authorised and empowered to complete and to do all such other acts and things as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purposes of giving full effect to the IPT Mandate.”

(Resolution 7)

[see explanatory note (iv)]

9. Proposed Renewal of the Share Purchase Mandate

“That:-

- (a) for the purposes of the Companies Act, the authority be and is hereby conferred on the Directors to exercise all the powers of the Company to purchase or otherwise acquire fully paid issued ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) on-market purchase(s) on the SGX-ST; and/or
 - (ii) off-market purchase(s) if effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

NOTICE OF ANNUAL GENERAL MEETING

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next Annual General Meeting of the Company is held or is required by law to be held; or
 - (ii) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; and
- (c) the Directors and each of them be and are hereby authorised and empowered to complete and to do all such other acts and things as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purposes of giving full effect to the Share Purchase Mandate.

For the purposes of this Ordinary Resolution 8:

“Average Closing Price” means the average of the closing market prices of the Shares over the last five (5) market days, on which transactions in the Shares on the SGX-ST were recorded, before the day on which a market purchase was made by the Company or, as the case may be, the date of the announcement of the offer pursuant to an off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant period of five (5) market days and the day of the market purchase or, as the case may be, the date of the making of the offer pursuant to the off-market purchase;

“Maximum Limit” means that number of issued Shares representing ten per cent. (10%) of the total number of Shares excluding treasury shares and subsidiary holdings as at the last Annual General Meeting or as at the date of the passing of this Resolution (whichever is the higher); and

“Maximum Price”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:-

- (a) in the case of an on-market purchase of a Share, one hundred and five per cent. (105%) of the Average Closing Price of the Shares; and
- (b) in the case of an off-market purchase of a Share pursuant to an equal access scheme, one hundred and ten per cent. (110%) of the Average Closing Price of the Shares.”

(Resolution 8)

[see explanatory note (v)]

On behalf of the Board

Tan Sri Cheng Heng Jem
Executive Chairman

10 April 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Tan Sri Cheng Heng Jem will, upon his re-election as Director, remain as Executive Director, Chairman.
- (ii) Mr Chai Woon Chew (“**Mr Chai**”) is considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. If re-elected, Mr Chai will remain as Chairman of the Audit Committee, Chairman of the Nominating Committee, and member of the Remuneration Committee.
- (iii) Ordinary Resolution 6 proposed under Agenda 7 above, if passed, will authorise and empower the Directors of the Company from the date of this Annual General Meeting to the next Annual General Meeting to issue shares and/or convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting.
- (iv) Ordinary Resolution 7 proposed under Agenda 8 above, if passed, will authorise and empower the Directors to enter into the mandated interested person transactions as described in the Circular. Such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next Annual General Meeting of the Company is or is required by law to be held, whichever is the earlier. Please refer to the Circular for further details.
- (v) Ordinary Resolution 8 proposed under Agenda 9 above, if passed, will authorise and empower the Directors to exercise all powers of the Company to purchase or otherwise acquire (whether by way of market purchases or off-market purchases) Shares of the Company on the terms of the Share Purchase Mandate as set out in the Circular. Such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next Annual General Meeting of the Company is or is required by law to be held, whichever is the earlier. The Company currently intends to use internal sources of funds to finance the purchase or acquisition of its Shares. Please refer to the Circular for further details.

Notes:

1. The annual general meeting (the “**AGM**”) will be held, in a wholly physical format, at the Crowne Plaza Changi Airport, Alstonia, Level 2, 75 Airport Boulevard, Singapore 819664 on Friday, 25 April 2025 at 10.30 a.m.. Shareholders (including investors who hold shares under the Supplementary Retirement Scheme (“**SRS**”) (“**SRS investors**”)), and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM by attending the AGM in person. **There will be no option for shareholders to participate virtually.**
2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member’s form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. “**Relevant Intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act.
3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where more than two (2) proxies are appointed, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

NOTICE OF ANNUAL GENERAL MEETING

4. A proxy need not be a member of the Company.
5. SRS investors may:
 - (a) attend, speak and vote at the AGM in person if they are appointed as proxies by their SRS Operators, and should contact their SRS Operators if they have queries regarding their appointment as proxies; or
 - (b) appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case, they should approach their SRS Operators to submit their voting instruction by **5.00 p.m. on 15 April 2025**, being seven (7) working days before the AGM, and the SRS investors shall be precluded from attending the AGM.
6. Investors holding shares through Relevant Intermediaries (other than SRS investors) who wish to attend, speak and vote at the AGM should approach their relevant intermediaries as soon as possible to specify their voting instructions or make necessary arrangement to be appointed as proxy.
7. The instrument appointing a proxy or proxies (the “**proxy form**”) must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Companies Act as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation. Where the proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which, the proxy form may be treated invalid.
8. The proxy form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the office of the Company’s Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - (b) if submitted electronically, be submitted via email to main@zicoholdings.com,

in either case, no later than **23 April 2025 at 10.30 a.m.**, being not less than forty-eight (48) hours before the time appointed for holding the AGM.

Completion and return of the proxy form by a member will not prevent him from attending, speaking and voting at the AGM if he so wishes. In such event, the relevant proxy form will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the proxy form to the AGM.

9. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register (as defined in Part IIIA of the Securities and Futures Act 2001 of Singapore), as at seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.
10. The proxy form is not valid for use by Investors (including SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. Investors (including SRS investors) should instead contact their relevant intermediary as soon as possible to specify their voting instructions.

NOTICE OF ANNUAL GENERAL MEETING

11. Members and SRS investors may submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM by **5.00 p.m. on 17 April 2025** in the following manner:
 - (a) by email to the Company at main@zicoholdings.com; or
 - (b) by post to the registered office of the Company at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619, attention to Company Secretary.

Members and SRS investors who submit questions via email or by post must provide their full name, identification number, contact number, email address, the number of shares held and the manner in which the shares are held (e.g., via CDP or SRS) for authentication.

Investors (other than SRS investors) will not be able to submit questions relating to the business of the AGM via the above methods set out above. Instead, they should approach their relevant intermediaries as soon as possible in order for the relevant intermediaries to make the necessary arrangements for them to submit questions in advance of the AGM.

12. The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on the Company's website and on SGX website by **18 April 2025**. Any subsequent clarifications sought, or follow-up questions, or substantial and relevant questions received after the cut-off date will be consolidated and addressed at the AGM. **Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.**
13. All documents (including the Annual Report, Circular, proxy form and this Notice of AGM) or information relating to the business of the AGM have been, or will be, published on SGXNET. **Printed copies of the documents will be despatched to members.**
14. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGX website and the Company's website, and the minutes will include the responses to substantial and relevant questions which are addressed during the AGM, if any.

Personal data privacy:

By (a) submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof; or (b) submitting any questions prior to, or at, the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxy(ies) and/or representative(s) appointed for the AGM (including any adjournment thereof), addressing substantial and relevant questions from members received prior to, or at, the AGM, the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

DISCLOSURE OF INFORMATION ON DIRECTOR(S) SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following are the information relating to the directors seeking re-election at the forthcoming Annual General Meeting as recommended by the Nominating Committee (“NC”) and the Board, as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Name of Director	Tan Sri Cheng Heng Jem	Mr Chai Woon Chew
Date of Appointment	31 March 2011	01 September 2017
Date of last re-appointment (if applicable)	29 April 2022	28 April 2023
Age	82	67
Country of principal residence	Malaysia	Malaysia
The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	<p>Tan Sri Cheng has more than 60 years of experience in the business operations of the Lion Group, a Malaysian based diversified business group (which includes our Company) encompassing retail, financial services, steel, mining, property and industrial parks, agriculture, tyre manufacturing, motor vehicle assembly, brewery and computer industries. He oversees the operations of Lion Group and is responsible for the formulation and monitoring of the overall corporate strategic plans and business development of the Group.</p> <p>The Board is of the view that Tan Sri Cheng Heng Jem has the relevant working experiences to continue to contribute positively to the Board and the Company, and recommended his re-election.</p>	<p>Mr Chai is a lawyer by profession and the Board opined that Mr Chai’s experience and professional qualification would continue to contribute positively to the Board and the Company.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman. Member of the Nominating Committee.	Lead Independent Director, Chairman of the Audit Committee and Nominating Committee, and a member of the Remuneration Committee
Professional qualifications	N/A	Bachelor of Laws (Honours) degree from the University of Buckingham, Bachelor of Science (Honours) degree in Chemistry from the University of Surrey, UK and is qualified as Barrister-at-Law from Lincoln’s Inn, England.

DISCLOSURE OF INFORMATION ON DIRECTOR(S) SEEKING RE-ELECTION

Name of Director	Tan Sri Cheng Heng Jem	Mr Chai Woon Chew
Working experience and occupation(s) during the past 10 years	<ol style="list-style-type: none"> 1989 to current - Chairman and Managing Director of Parkson Holdings Berhad. 1991 to current – Chairman of Lion Posim Berhad. 2005 to current – Executive Director and Chairman of Parkson Retail Group Limited. 	<p>2014 – Present: Partner of Michael Chai & Co., Advocates & Solicitors</p> <p>1994 – Present: Non-Independent Non-Executive Director of KKB Engineering Berhad</p>
Shareholding interest in the listed issuer and its subsidiaries	<p>Direct Interest – 500,000 shares in the Company.</p> <p>Deemed Interest – 457,933,300 shares in the Company.</p>	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	<p>Yes</p> <p>Tan Sri Cheng Heng Jem is the father of Ms Cheng Hui Yuen Vivien, an Executive Director of the Company.</p>	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<p>Other Principal Commitments* Including Directorships#</p> <p>Past (for the last 5 years)</p> <p>* “Principal Commitments” has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)</p>	<p><u>Past</u></p> <ol style="list-style-type: none"> ACB Resources Berhad Antara Serijaya Sdn Bhd Antara Steel Mill Sdn Bhd Brands Pro Management Sdn Bhd Daphne Malaysia Sdn Bhd Eden Flame Sdn Bhd Habitat Blue Sdn Bhd Lion Corporation Sdn Bhd Lion Tin Sdn Bhd Megasteel Sdn Bhd Park Avenue Fashion Sdn Bhd Watatime (M) Sdn Bhd Marlow House Asia Limited Lion Tin AB Limited Lion Tin GD Limited Lion Tin UL Limited 	<p><u>Past</u></p> <ol style="list-style-type: none"> Bank of China (Malaysia) Berhad <p><u>Present</u></p> <ol style="list-style-type: none"> KKB Engineering Berhad Lion AsiaPac Limited

DISCLOSURE OF INFORMATION ON DIRECTOR(S) SEEKING RE-ELECTION

Name of Director	Tan Sri Cheng Heng Jem	Mr Chai Woon Chew
	<p><u>Past Other Principal Commitments</u></p> <ol style="list-style-type: none"> 1. Federation of Asia-Pacific Retailers Association <p><u>Present</u></p> <ol style="list-style-type: none"> 1. Lion Asiapac Limited 2. Angkasa Marketing (Singapore) Pte Ltd 3. Brewood Investment Pte Ltd 4. Amsteel Mills Sdn Bhd 5. Andalas Development Sdn Bhd 6. Bandar Akademia Corporation (M) Sdn Bhd 7. Bandar Akademia Sdn Bhd 8. Bonus Essential Sdn Bhd 9. Community CSR Sdn Bhd 10. Corporate Code Sdn Bhd 11. Jana Pendidikan Malaysia Sdn Bhd 12. Limpahjaya Sdn Bhd 13. Lion Aquaculture Sdn Bhd 14. Lion Industries Corporation Berhad 15. Lion Investment (A) Sdn Bhd 16. Lion Mining (Sabah) Sdn Bhd 17. Lion Mining Sdn Bhd 18. Lion Posim Berhad 19. Lion Steel Sdn Bhd 20. Narajaya Sdn Bhd 21. Pan Malaysian Pools Sdn Bhd 22. Parkson Corporation Sdn Bhd 23. Parkson Holdings Berhad 24. Puncak Pelita Sdn Bhd 25. SERC Sdn Bhd 26. Sims Holdings Sdn Bhd 27. Sunsuria Venture Sdn Bhd 28. Superior Achievement Sdn Bhd 29. The Community Chest 30. Tirta Enterprise Sdn Bhd 31. Utara Enterprise Sdn Bhd 32. William Cheng Sdn Bhd 33. Lancaster Trading Company Limited 34. M3C Productions Company Limited 35. Parkson Retail Development Co., Ltd 36. Qingdao No. 1 Parkson Co., Ltd 37. Classima Capital Ltd 	

DISCLOSURE OF INFORMATION ON DIRECTOR(S) SEEKING RE-ELECTION

Name of Director	Tan Sri Cheng Heng Jem	Mr Chai Woon Chew
	<p>38. Deluxe Venture International Limited</p> <p>39. East Crest International Limited</p> <p>40. Nan Xin Investments Limited</p> <p>41. Lion Mining Investments Limited (formerly known as Lion Tin Investments Limited)</p> <p>42. Lion Mining Limited (formerly known as Lion Tin Limited)</p> <p>43. Parkson Retail Group Limited</p> <p>44. PP. SW Development Co., Ltd.</p> <p><u>Present Other Principal Commitments</u></p> <ol style="list-style-type: none"> 1. The Associated Chinese Chambers of Commerce and Industry of Malaysia 2. The Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor 3. Malaysia Steel Association 4. Kuen Cheng High School 5. Malaysia Retailers Association 6. The Associated Chinese Chambers of Commerce and Industry of Malaysia's Socio-Economic Research Trust 	
<p><u>Information Required</u></p> <p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</p>		
<p>a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</p>	<p>No</p>	<p>No</p>

DISCLOSURE OF INFORMATION ON DIRECTOR(S) SEEKING RE-ELECTION

Name of Director	Tan Sri Cheng Heng Jem	Mr Chai Woon Chew
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

DISCLOSURE OF INFORMATION ON DIRECTOR(S) SEEKING RE-ELECTION

Name of Director	Tan Sri Cheng Heng Jem	Mr Chai Woon Chew
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

DISCLOSURE OF INFORMATION ON DIRECTOR(S) SEEKING RE-ELECTION

Name of Director	Tan Sri Cheng Heng Jem	Mr Chai Woon Chew
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No

DISCLOSURE OF INFORMATION ON DIRECTOR(S) SEEKING RE-ELECTION

Name of Director	Tan Sri Cheng Heng Jem	Mr Chai Woon Chew
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

This page has been intentionally left blank.

PARKSON RETAIL ASIA LIMITED

Co. Reg. No. 201107706H

(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

- The annual general meeting ("AGM") will be held, in a wholly physical format. **There will be no option for shareholders to participate virtually.**
- Relevant Intermediaries (as defined in Section 181 of the Companies Act 1967 (the "Companies Act") may appoint more than two (2) proxies to attend, speak and vote at the AGM.
- For investors who have used their Supplementary Retirement Scheme monies to buy shares in the Company ("SRS Investors"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
- SRS Investors may:
 - attend, speak and vote at the AGM in person if they are appointed as proxies by their SRS Operators, and should contact their SRS Operators if they have queries regarding their appointment as proxies; or
 - appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their SRS Operators to submit their voting instruction by 5.00 p.m. on 15 April 2025.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies).**

PERSONAL DATA PRIVACY

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2025.

I/We, _____ (Name) _____ (NRIC/Passport Number/
Company Registration No.) of _____ (Address)
being a *member/members of PARKSON RETAIL ASIA LIMITED (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares (Ordinary Shares)	%
Address			

*and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares (Ordinary Shares)	%
Address			

or failing *him/them, the Chairman of the AGM as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of the Company to be held at the Crowne Plaza Changi Airport, Alstonia, Level 2, 75 Airport Boulevard, Singapore 819664 on Friday, 25 April 2025 at 10.30 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against, or abstain from voting on the ordinary resolutions to be proposed at the AGM as indicated hereunder.

No.	Ordinary Resolutions:	¹ For	¹ Against	¹ Abstaining
1	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Directors' Statement and Auditor's Report			
2	To re-elect Tan Sri Cheng Heng Jem as a Director			
3	To re-elect Chai Woon Chew as a Director			
4	To approve the payment of Directors' fees of up to S\$250,000 for the financial year ending 31 December 2025, payable quarterly in arrears			
5	To re-appoint Messrs Foo Kon Tan LLP as Auditor			
6	To authorise the Directors to issue new shares			
7	To approve the renewal of the General Mandate for Interested Person Transactions			
8	To approve the renewal of the Share Purchase Mandate			

¹ If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise some and not all of your votes "For" and "Against" the resolution and/or if you wish to abstain from voting in respect of the resolution, please indicate the number of votes "For", the number "Against" and/or the number "Abstain" in the boxes provided for the resolution. **In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the above resolution if no voting instruction is specified, and on any other matter arising at the AGM.**

Dated this _____ day of _____ 2025

Total number of Ordinary Shares in:	No. of Ordinary Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s) or,
Common Seal of Corporate Shareholder

* Delete where inapplicable



Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the shares held by you.
2. A shareholder who is not a relevant intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such shareholder's form of proxy ("**proxy form**") appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.
3. A shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such shareholder's proxy form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
4. A proxy need not be a member of the Company.
5. The proxy form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - (b) if submitted electronically, be submitted via email to main@zicoholdings.com,

Fold along this line

Affix Postage Stamp

Parkson Retail Asia Limited
c/o The Share Registrar
B.A.C.S. Private Limited
77 Robinson Road
#06-03, Robinson 77
Singapore 068896

This flap for sealing

- in either case, **no later than 23 April 2025 at 10.30 a.m.**, being not less than forty-eight (48) hours before the time appointed for holding the AGM.
- Completion and return of the proxy form by a member will not prevent him from attending, speaking and voting at the AGM if he so wishes. In such event, the relevant proxy form will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the proxy form to the AGM.
6. The proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Companies Act as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation. Where the proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which, the proxy form may be treated invalid.
 7. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act.
 8. For SRS Investors, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS Investors (a) should contact their SRS Operators if they have queries regarding their appointment as proxies; or (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case, they should approach their respective SRS Operators to submit their voting instruction by **5.00 p.m. on 15 April 2025**, being seven (7) working days before the AGM, and the SRS Investors shall be precluded from attending the AGM.
 9. The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PARKSON RETAIL ASIA LIMITED

9 Raffles Place, #26-01 Republic Plaza,
Singapore 048619