

**PARKSON HOLDINGS BERHAD**  
**Registration No. 198201009470 (89194-P)**  
(Incorporated in Malaysia)

Minutes of the 42nd Annual General Meeting of the Company (“42nd AGM”) held at the Meeting Hall, Level 16, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan on Thursday, 21 May 2026 at 10.30 am.

PRESENT

BOARD OF DIRECTORS : Y. M. Datuk Seri Utama Raja Nong Chik bin Dato’ Raja Zainal Abidin (Chairman)  
Y. Bhg. Tan Sri Cheng Heng Jem (Managing Director)  
Ms Cheng Hui Yen, Natalie (Executive Director)  
Y. Bhg. Dato’ Eow Kwan Hoong  
Mr Liew Jee Min @ Chong Jee Min  
Mr Ooi Kim Lai

MEMBERS, PROXIES AND CORPORATE REPRESENTATIVE : As per Attendance List  
(collectively, the “Shareholders”)

INVITEES : Representative of Messrs Grant Thornton Malaysia PLT, the External Auditors  
- Mr Lian Tian Kwee (Lead Partner)

IN ATTENDANCE : Ms Lim Kwee Peng (Secretary)

**1. OPENING**

At the outset, the Chairman welcomed all to the Meeting.

The Chairman then informed that no photography, or any form of audio or video recording was allowed of the Meeting.

**2. QUORUM**

There being a quorum present, the Chairman duly called the Meeting to order.

**3. NOTICE OF MEETING**

The Chairman explained that the Notice convening the Meeting together with the Circular to Shareholders had been made available for download from the website of the Company since 22 April 2026 and as such, the Notice was taken as read.

**4. PROCEEDINGS OF MEETING**

As a matter of safety, the Chairman invited the representative of the Building Management to advise on the safety exit measures of the Meeting Hall.

Before proceeding with the items on the Agenda, the Chairman informed that in accordance with the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements and the Constitution of the Company, all 8 ordinary resolutions tabled at the Meeting would be voted upon by way of a poll.

The Chairman further informed that the Company had appointed the Share Registrar, Securities Services (Holdings) Sdn Bhd, as the Poll Administrator to conduct the polling process and Commercial Quest Sdn Bhd as the Independent Scrutineer to verify the results of the poll.

## **5. AUDITED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman proceeded with the first item on the Agenda which was to receive the Audited Financial Statements of the Company for the financial year ended 31 December 2025 (“FYE 2025”) and the Reports of the Directors and Auditors thereon (“2025 AFS”).

The Chairman informed that the 2025 AFS had been uploaded to Bursa Malaysia and the website of the Company on 22 April 2026. He further explained that in accordance with the provisions of the Companies Act 2016, the 2025 AFS did not require Shareholders’ approval and therefore, would not be put to vote.

The information on the businesses of the Group together with the financial results of the Group for the FYE 2025 was presented at the Meeting.

The Chairman further informed that the Company had received questions from the Minority Shareholders Watch Group (“MSWG”), and other Shareholders. To facilitate the efficiency of the Meeting, similar questions had been consolidated, and the Management’s responses thereto as set out in Annexure I were also presented (“MSWG and Shareholders Q&As”).

The Meeting then engaged in a question and answer session where comments and enquiries in relation to the following areas of observation were raised by the Shareholders:

- (a) the Group’s business operations, corporate structure and strategic positioning, including the respective roles and market focus of the Group’s listed companies, business models, strategies and prospects, as well as the ongoing conversion of selected department stores into shopping malls or lifestyle tenants;
- (b) the Group’s financial position, financial reporting, valuation of assets, cash management, and dividend; and
- (c) corporate governance matters, including anti-corruption training, shareholders engagement, and shareholding structure.

The Chairman and the Management addressed the Shareholders’ enquiries on the aforementioned areas of observation as follows:

- (a) The Group had adopted a similar strategy in China and Malaysia, focusing mainly on the middle-income consumer segment.
- (b) The Group remained confident in the China market and continued to rationalise its operations, including the closure of underperforming stores and improving operational efficiency and profitability.
- (c) The Group comprised 3 listed companies serving different business purposes and markets. Parkson Retail Group Limited focused on the Mainland China market while, Parkson Retail Asia Limited focused on Asian markets. The Company, was principally an investment holding company, and did not have a core operating business of its own. The Group continued to evaluate and rationalise its corporate structure to enhance operational efficiency.

- (d) The traditional department store model, primarily on direct and concessionaire sales, had been facing declining sales trends. Accordingly, the Group had been progressively converting selected department stores and merchandise floor space into shopping malls or lifestyle tenant spaces to generate a more stable and recurring rental income stream.
- (e) The Group adopted the cost model for its investment properties in China instead of the fair value model, to minimise the impact of market-driven valuation fluctuations on the Group's profit and loss.
- (f) The Group's cash balances of approximately RM1.2 billion, as disclosed on page 114 of the 2025 AFS, comprised approximately RM400 million held in Malaysia and approximately RM800 million held in China. The cash held in China was subject to foreign exchange controls and regulatory restrictions imposed by the PRC authorities, which limited the Group's ability to repatriate such funds. In addition, these funds were required to support the Group's operations and capital expenditure in China.
- (g) The dividends received from the Company's listed subsidiaries during the financial year were mainly utilised to reduce the Group's USD-denominated borrowings and to fund operational expenses. In view of the Company's loss-making position for the financial year ended 31 December 2025, no dividend was declared.
- (h) The lower level of anti-corruption training participation in FYE2025, as disclosed on page 62 of the 2025 Annual Report, was primarily due to variations in the number and timing of training programmes conducted during the year, taking into consideration operational requirements and training schedules. The Group remains committed to strengthening anti-bribery and corruption awareness through ongoing training initiatives across all levels of the organisation.
- (i) The Company did not foresee any risk of a change in its controlling ownership structure, given that the existing controlling shareholder held more than 50% of the Company's issued shares.

After having addressed all questions and noting all comments from the Floor, the Chairman declared the 2025 AFS duly received.

The Chairman then proceeded with the remaining Agenda items.

## **6. DIRECTORS' FEES**

The second item on the Agenda was to approve the payment of Directors' fees amounting to RM260,000 for the FYE 2025.

## **7. DIRECTORS' BENEFITS**

The third item on the Agenda was to approve the payment of Directors' benefits of up to RM90,000 which comprised Directors' meeting allowances, for the period commencing after the 42nd AGM until the next annual general meeting of the Company.

**8. RE-ELECTION OF DIRECTORS RETIRING IN ACCORDANCE WITH CLAUSE 110 OF THE CONSTITUTION OF THE COMPANY**

The fourth item on the Agenda was to re-elect the following Directors who retired by rotation in accordance with Clause 110 of the Constitution of the Company and who being eligible, had offered themselves for re-election:

- (a) Y. Bhg. Tan Sri Cheng Heng Jem
- (b) Mr Ooi Kim Lai

**9. RE-ELECTION OF DIRECTOR RETIRING IN ACCORDANCE WITH CLAUSE 111 OF THE CONSTITUTION OF THE COMPANY**

The fifth item on the Agenda was to re-elect Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin who was appointed during the financial year and retired in accordance with Clause 111 of the Constitution of the Company and who being eligible, had offered himself for re-election.

As the Chairman was interested in the resolution pertaining to his re-election as Director of the Company, he proposed that Ms Cheng Hui Yen, Natalie chaired the proceedings for the resolution.

Ms Natalie Cheng took the Chair for the proceedings of the resolution for the re-election of the Chairman as a Director of the Company; and upon conclusion, handed the Chair back to the Chairman.

**10. RE-APPOINTMENT OF AUDITORS**

The sixth item on the Agenda was to re-appoint the retiring Auditors, Messrs Grant Thornton Malaysia PLT, as Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and that the Directors be authorised to fix their remuneration.

The Chairman introduced Mr Lian Tian Kwee who represented Messrs Grant Thornton Malaysia PLT ("Grant Thornton") and informed that Grant Thornton had expressed their willingness to be re-appointed Auditors of the Company.

**11. SPECIAL BUSINESS**

The Chairman informed that there were 2 Ordinary Resolutions tabled as Special Business.

**11.1 Authority to Directors to Issue and Allot Shares**

The first Ordinary Resolution was to authorise the Directors to issue and allot up to 10% of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

**11.2 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions**

The second Ordinary Resolution was to consider the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

**12. OTHER BUSINESS**

The Chairman informed that he had been advised that the Company had not received any notice of other business to be transacted at the Meeting.

### 13. POLLING PROCESS

The Chairman proceeded to carry out the voting for all the 8 resolutions by way of a poll and shared the step-by-step guide by the Poll Administrator on the e-voting procedures.

For proper and orderly conduct of the poll, the Chairman announced that the registration for attendance at the 42nd AGM be closed.

The Chairman then adjourned the 42nd AGM at 12.14 pm for 10 minutes or in the event the poll results were not ready by then, as soon as the results were tabulated thereafter, for the announcement of the results of the poll.

### 14. DECLARATION OF POLL RESULTS

14.1 At 12.28 pm, the Chairman called the Meeting back to order for the announcement of the poll results. The poll results for all the 8 Ordinary Resolutions as follows which had been verified by the Independent Scrutineer, were displayed on the screen for information of the Shareholders:

Resolutions	Vote in favour		Vote Against	
	No. of Shares	%	No. of Shares	%
Resolution 1 To approve Directors' fees	647,256,374	99.7561	1,582,487	0.2439
Resolution 2 To approve Directors' benefits	647,256,576	99.7561	1,582,285	0.2439
Resolution 3 To re-elect Y. Bhg. Tan Sri Cheng Heng Jem as Director	648,715,894	99.9810	122,967	0.0190
Resolution 4 To re-elect Mr Ooi Kim Lai as Director	648,712,179	99.9805	126,682	0.0195
Resolution 5 To re-elect Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin as Director	648,711,476	99.9804	127,385	0.0196
Resolution 6 To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors	648,221,395	99.9803	127,466	0.0197
Resolution 7 Authority to Directors to Issue and Allot Shares	648,711,476	99.9804	127,385	0.0196
Resolution 8 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	22,466,193	99.4388	126,782	0.5612

**14.2** Based on the results of the poll, the Chairman declared the following 8 Ordinary Resolutions duly carried:

- (a) Resolution 1 - THAT the Directors' fees amounting to RM260,000 for the financial year ended 31 December 2025 be approved for payment to the Directors.
- (b) Resolution 2 - THAT the Directors' benefits of up to RM90,000 for the period commencing after the 42nd AGM until the next annual general meeting of the Company be approved for payment to the Directors.
- (c) Resolution 3 - THAT Y. Bhg. Tan Sri Cheng Heng Jem who retired by rotation in accordance with Clause 110 of the Constitution of the Company, be re-elected to the Board.
- (d) Resolution 4 - THAT Mr Ooi Kim Lai who retired by rotation in accordance with Clause 110 of the Constitution of the Company, be re-elected to the Board.
- (e) Resolution 5 - THAT Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin who was appointed during the financial year and retired in accordance with Clause 111 of the Constitution of the Company, be re-elected to the Board.
- (f) Resolution 6 - THAT the retiring Auditors, Messrs Grant Thornton Malaysia PLT, be re-appointed Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and that the Directors be authorised to fix their remuneration.
- (g) Resolution 7 - Authority to Directors to Issue and Allot Shares

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

- (h) Resolution 8 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

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

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

- (i) the conclusion of the next annual general meeting of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

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

whichever is the earlier; and

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

**15. CLOSING REMARKS BY THE CHAIRMAN**

The Chairman encouraged Shareholders to provide or update their email addresses in respect of their Central Depository System accounts to facilitate prompt electronic receipt of all notifications issued by the Company.

**16. CLOSE OF MEETING**

There being no other business, the Meeting concluded at 12.33 pm.

SIGNED AS A CORRECT RECORD

SIGNED

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CHAIRMAN

**PARKSON HOLDINGS BERHAD**  
**Registration No. 198201009470 (89194-P)**  
(Incorporated in Malaysia)

42nd Annual General Meeting held on 21 May 2026

- Management's responses to Minority Shareholders Watch Group's letter dated 12 May 2026 and Questions Received in Advance from Shareholders

<b>No. Questions</b>	<b>Parkson's Reply</b>
<p>1. Parkson stores offer a wide range of internationally renowned brands of fashion and lifestyle related merchandise in several categories, primarily targeting the young and contemporary market segment. (Source: Page 49 of Annual Report 2025)</p> <p>a) Given the increasing prominence of domestic (Guochao) brands in the PRC retail landscape, what is the Group's current positioning of the PRC segment in terms of brand mix, specifically the balance between international and domestic brands? Does the Group places greater emphasis on one over the other?</p>	<p>Parkson China does not target a fixed ratio between international and domestic brands. Instead, the brand mix is tailored on a store-by-store basis to reflect local consumer demographics and preferences.</p> <p>In 2025, both directions were pursued in parallel. On the domestic front, emerging brands and national brands were introduced, most visibly at Hefei Parkson, which was repositioned as a local youth cultural hub. On the international side, the Group continued to bring in debut brands, including the Chinese debut of Korean fashion label Musinsa Standard at Shanghai Huaihai Parkson.</p> <p>The strategic intent is not to emphasise one over the other, but to ensure each store offers a brand proposition that is relevant to its target consumer base.</p>

<b>No. Questions</b>	<b>Parkson's Reply</b>
<p>b) With the proliferation of malls leading to fragmented footfall, and brands increasingly shifting to direct online channels, what are the trends in footfall from the young demographic segment across Malaysia and PRC stores and the corresponding conversion rates into sales over the past 2 to 3 financial years?</p> <p>c) Beyond the Group's official website, what other digital platforms does the Group utilise to engage the young and contemporary market segment, and how have these platforms contributed to driving consumer traffic and sales?</p>	<p>Our retailing operations in Malaysia were affected by rising living costs and inflationary pressures, which continued to weigh on consumer spending. Footfall in stores has softened, partly due to evolving consumer spending patterns and lifestyle preferences, with consumers increasingly prioritising travelling, experiential spendings and food and beverage offerings.</p> <p>In China, while the proliferation of online channels has inevitably diverted some consumer traffic away from physical stores, the Group's strategic transformation involves replacing certain merchandise floor space with experiential and lifestyle tenants, including food and beverage, entertainment, health and wellness, and similar concepts, to drive footfall back into stores.</p> <p>These are experiences that play an important role in sustaining footfall and increasing dwell time. The contribution of these tenants is reflected in the increased rental income rather than merchandise sales, therefore headline merchandise sales do not fully</p> <p>Beyond the Group's official website, the Group engages the younger and contemporary consumers through other digital platforms, such as WeChat, Douyin, Facebook, Instagram and TikTok. The Group is also collaborating with digital content creators and micro influencers to strengthen brand engagement with younger audiences and drive store footfall.</p> <p>Collectively, these initiatives have helped drive member acquisition, increased visit frequency, and improved in-store sales conversion</p>

No. Questions	Parkson's Reply															
<p>2. The Group previously disclosed same store sales (SSS) growth (%), which measures sales growth from stores that have been open for a comparable period, with the last disclosure in FY2019, but has since ceased reporting this metric from FY2020 onwards.</p> <p>What are the current SSS growth figures for both Malaysia and the PRC segments? Have these trends improved or deteriorated in recent years? What is the rationale to discontinue the disclosure of this metric, and will the Board consider resuming reporting it to enhance transparency for shareholders?</p>	<p>Below sets out the SSS growth of the Group's retailing operations for the recent financial years:</p> <table border="1" data-bbox="823 468 1382 591"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">Financial year ended 31 December</th> </tr> <tr> <th>2025</th> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Parkson Malaysia</td> <td>-6.3%</td> <td>-0.5%</td> <td>-0.5%</td> </tr> <tr> <td>Parkson China</td> <td>-16.6%</td> <td>-16.1%</td> <td>7.1%</td> </tr> </tbody> </table> <p>The disclosure of SSS growth was discontinued as the metric was significantly affected by the disruptions arising from the COVID-19 pandemic, including temporary store closures, movement restrictions, and uneven recovery patterns across markets. The SSS growth during the affected periods were not fully reflective of the Group's operational performance and trends. The Group takes note of the recommendation and will consider resuming disclosure of this metric in future reporting.</p>		Financial year ended 31 December			2025	2024	2023	Parkson Malaysia	-6.3%	-0.5%	-0.5%	Parkson China	-16.6%	-16.1%	7.1%
	Financial year ended 31 December															
	2025	2024	2023													
Parkson Malaysia	-6.3%	-0.5%	-0.5%													
Parkson China	-16.6%	-16.1%	7.1%													
<p>3. The Group reported RM108.1 million in capital work-in-progress (WIP) for a building under construction in Tianjin City, PRC, after recognising a significant impairment of approximately RM55.6 million. (Source: Pages 54 and 57 of the Financial Statements 2025)</p> <p>While capital work-in-progress is expected to be reclassified upon completion, what were the key reasons for the substantial impairment of RM55.6 million in capital work-in-progress, and is there a risk of further impairments?</p>	<p>The impairment was made following an assessment of the asset's recoverable amount, which incorporated valuations performed by an independent external valuer, reflecting a recent decline in market value in the vicinity of the asset.</p> <p>The Group is in discussions with local authorities and potential partners to move forward, and continues to closely monitor the development of the project. The Group will continue to review the asset's recoverable amount.</p>															

<b>No. Questions</b>	<b>Parkson's Reply</b>
<p>4. During the year, the Group recorded lease modifications of RM320.5 million and lease terminations of RM108.5 million, alongside an impairment of RM46.0 million on right-of-use assets. (Source: Pages 62 and 64 of the Financial Statements 2025)</p> <p>Despite ongoing store rationalisation and lease adjustments, the impairment of RM46.0 million on right-of-use assets in FY2025 is higher than RM19.8 million in FY2024. Does this suggest that further store closures or impairments may be required going forward?</p>	<p>Lease modifications relate to the renewal of existing lease agreements for certain stores, while lease terminations arise from store closures.</p> <p>Impairment charges were mainly recognised in relation to underperforming and closed stores. The Group is closely monitoring the performance of those stores and is taking appropriate measures to improve their performance. Further store closure may be undertaken following careful evaluation and assessment of the viability of those stores. The Group continues to perform assessment of asset recoverability from time to time.</p>
<p>5. In FY2025, executive turnover increased significantly to 99 employees (FY2024: 70; FY2023: 69), while non-executive turnover rose to 1,116 employees (FY2024: 920; FY2023: 1,107), reversing the improvement seen in FY2024. (Source: Page 73 of Annual Report 2025)</p> <p>What were the key reasons identified from exit interviews for the higher turnover in FY2025, and how is the Group addressing them?</p>	<p>The higher staff turnover experienced during the financial year was mainly attributable to evolving workforce expectations particularly among younger workforce segments, competitive labour market conditions, availability of more attractive external employment opportunities, as well as the operational rationalisation of selected Parkson department stores. Nevertheless, the increased staff movement had not resulted in any major operational and resource challenges during the period.</p> <p>Management has undertaken and will continue to implement appropriate mitigation measures including strengthening workforce planning, enhancing employee engagement and retention initiatives, accelerating recruitment efforts and improving succession planning to minimise operational disruption and ensure organisational sustainability.</p>

<b>No. Questions</b>	<b>Parkson's Reply</b>
<p>6. Under Ordinary Resolution 1, the fees for the Chairman of the Board are proposed to be increased from RM50,000 to RM70,000 for the FYE2025, based on market benchmarking and taking into account the scope of responsibilities and the size of the Company.</p> <p>While we noted that Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin, who was appointed as Independent Non-Executive Chairman on 27 November 2025, brings extensive experience in corporate leadership, governance, and public service, the Group has remained largely loss-making over the past five years, with earnings volatility and declining net assets.</p> <p>a) What is the basis for this 40% increase in the Chairman's fee, including the benchmarking applied and how it is aligned with the Company's current financial performance and initiatives to manage cost more prudently?</p> <p>b) Please note MSWG will vote against this proposal as the 40% rise in the Chairman's fee is viewed as inappropriate at this juncture.</p>	<p>The last fee adjustment was made in 2011. The proposed increase in the Chairman's fee was determined after considering several factors, including market benchmarking against companies of comparable size and complexity, the increased scope of responsibilities, and the value of the Chairman's extensive experience.</p> <p>The proposed fee has been carefully considered and reflects a balanced approach between maintaining prudent cost management initiatives and ensuring that remuneration remains competitive and commensurate with the responsibilities undertaken by the Chairman.</p>
<p>7. The parent company has pledged approximately 924 million shares to Bishan Street Limited, and the pledge period has already exceeded 8 years. What are the plans regarding this arrangement?</p>	<p>The shares were pledged to a lender as security for the Group's outstanding USD-denominated borrowings. The Group has progressively repaid these borrowings over the years and expects to settle the outstanding amount within the next one to two years. The pledged shares will be released upon full settlement of the borrowings.</p>

<b>No. Questions</b>	<b>Parkson's Reply</b>
<p>8. The company's annual financing costs are relatively high and have been consuming part of its operating profits. Is there any plan to sell core properties under Parkson Retail Group Limited to repay bank debt, distribute a special dividend, and enable the parent company to redeem the pledged shares?</p>	<p>The high finance costs were mainly due to interest on lease liabilities. As for other finance costs, the Group has been actively taking steps to optimise its capital structure, including initiatives such as refinancing and partial repayments to reduce interest costs over time.</p> <p>There are no immediate plans to dispose of core properties, as these assets continue to contribute steadily to the Group's rental income. The Group will, however, continue to evaluate all options, including potential asset monetisation, should suitable opportunities arise.</p>
<p>9. What is the current operating cash flow of Qingdao Lion Mall?</p>	<p>Qingdao Lion Mall generates annual operating cash flows of about RM55 million.</p>
<p>10. What is the five-year outlook for Parkson Credit? What scale is it expected to reach, and how much operating profit could it contribute?</p>	<p>Parkson Credit remains cautiously optimistic about growing its motorcycle finance business, aiming to lead in its focus segments. To support long-term sustainable growth, the company is expanding its product range beyond motorcycle financing to meet broader customer needs. In addition, Parkson Credit is exploring opportunities to replicate its successful model through overseas expansion, leveraging its domestic technological expertise to effectively scale its market reach and international presence.</p>
<p>11. After closing the loss-making Beijing Fuxingmen store, how much cost reduction is expected in 2026?</p>	<p>The store incurred losses, including closure costs, of about RM50 million in 2025. Following the closure of the loss-making store, the Group expects operating losses to be reduced in 2026.</p>
<p>12. Parkson Retail Group Limited has replaced high-interest Hong Kong dollar debt with Rmb loans, effectively lowering the interest rate. By how much is the bank interest expense expected to decrease in 2026?</p>	<p>In June 2024, the Group drew down the Rmb loans to fully settle its HK\$ denominated bank loans. The Rmb loans carry a lower interest rate, resulting in an annual interest cost savings of about Rmb80 million (equivalent to approximately RM46 million).</p>

<b>No. Questions</b>	<b>Parkson's Reply</b>
<p>13. With Ireliia Capital joining as a new shareholder, will it bring any significant changes or variables to the company?</p>	<p>Ireliia Management Sdn Bhd ("Ireliia") is still holding the 8.31% as at 31 March 2026 as disclosed in the 2025 Annual Report. Ireliia's entry as a shareholder is viewed positively, as it reflects external confidence in the Company's long-term prospects. There is no change in control, management structure, or strategic direction of the Company.</p> <p>The Board and Management will continue to operate in the best interests of all Shareholders, while maintaining open engagement with all investors, including Ireliia.</p>
<p>14. How many stores in China and Malaysia are expected to be closed in 2026?</p>	<p>Store rationalisation remains an ongoing exercise. The Group continues to regularly review its store portfolio and takes prudent steps to close underperforming stores in order to improve profit.</p>
<p>15. The 5-year financial summary shows the Group has been loss-making at the net profit after tax level in four of the past five years (FY2021: -RM130 million, FY2022: -RM192 million, FY2024: -RM127 million, FY2025: -RM75 million), with the sole profitable year (FY2023: +RM29 million) now looking like an outlier rather than a turning point.</p> <p>At what specific measurable threshold - revenue, operating margin, store count, or NTA per share - does the Board consider this a structural decline versus a cyclical trough? What is the Board's explicit target for returning to sustained after-tax profitability, and over what timeline?</p>	<p>The Group acknowledges that its financial performance over the past few years has been affected by weak consumers sentiment, evolving consumer purchasing behaviour, intensified competition and increasing operating cost pressures.</p> <p>The Board does not rely on a single financial or operational metric to determine whether the challenges faced by the retail operation represent a structural decline or a cyclical downturn. Instead, the Board continuously evaluates a combination of indicators, including revenue trends, store profitability, operating margins, cash flow generation, and overall market conditions.</p> <p>While the operating environment remains challenging, the Group remains focused on enhancing store and operational productivity, improving margins, managing costs prudently, and rationalising operations, while continuing to explore opportunities to expand its store network in the medium term to restore profitability.</p>

No. Questions	Parkson's Reply										
<p>16. NTA per share has declined every year. The shares trade near 17 - 20 sen, about 83% discount to NTA.</p> <p>The discount to NTA has been persistent and deepening. Does the Board view the current share price as fundamentally mispriced? Has the Board considered a formal capital allocation framework, including share buybacks at such deep discounts to narrow this gap? If not, why not?</p>	<p>Share price performance is ultimately determined by several external factors, including overall market sentiment, industry outlook and investor perception, which are beyond the Company's control.</p> <p>Under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a listed company may undertake a share buy-back only out of retained profits. As the Company was in an accumulated losses position as at 31 December 2025, it is therefore not in a position to undertake a share buy-back.</p>										
<p>17. The Company had only RM2.4 million in cash as at 31 December 2025. Its only income appears to be dividends or management fees from subsidiaries, yet it reported nil revenue in FY2025 (vs. RM11.4 million in FY2024 from management fees). Its recurring expenses were RM1.4 million to RM1.6 million annually.</p> <p>How does the holding company funds its operating costs, directors' fees and listing compliance costs if it receives no dividends and no management fee income? Is the holding company relying on upstream dividends from PRA (SGX) or PRGL (HKEx)? What triggers such dividends, and what is the payout decision-making process at each listed subsidiary level?</p>	<p>Parkson Holdings Berhad (company level) is an investment holding company, with dividend income being its main source of income. In 2024, the Company received dividend income of RM11.4 million from its subsidiary.</p> <p>The Company relies on advances, and dividend upstreaming from its subsidiaries, including its listed subsidiaries Parkson Retail Group Limited and Parkson Retail Asia Limited.</p> <p>In general, the declaration and payment of dividends are subject to considerations of, among others, the availability of profits, applicable restrictions and requirements under the laws, investment and operating funding requirements, as well as any banking or other funding covenants.</p>										
<p>18. The Group reported operating profit of RM445 million yet a loss before tax of only RM7 million and a loss after tax of RM75 million. The gap is almost entirely explained by RM300.9 million in finance costs and RM190.2 million in impairment charges.</p> <p>Finance costs of RM301 million consumed 67% of operating profit. What proportion of this relates to lease liabilities under MFRS 16 (unavoidable) versus interest on bank borrowings (refinanceable)? Specifically, what is the cash interest expense on the RM1.78 billion of financial debt, and what is the weighted average borrowing rate?</p>	<p>Referring to Page 47 of Financial Statements, the breakdown of finance costs is set out as follows:</p> <table border="1" data-bbox="831 1648 1385 1816"> <thead> <tr> <th></th> <th style="text-align: right;">RM000</th> </tr> </thead> <tbody> <tr> <td>Lease liabilities</td> <td style="text-align: right;">203,222</td> </tr> <tr> <td>Bank borrowings</td> <td style="text-align: right;">96,781</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">937</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">300,940</td> </tr> </tbody> </table> <p>The Group's weighted average borrowing rate is 5 - 6%.</p>		RM000	Lease liabilities	203,222	Bank borrowings	96,781	Others	937		300,940
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<b>No. Questions</b>	<b>Parkson's Reply</b>
<p>19. The Group recognised impairment losses totalling RM190.2 million in FY2025. This follows RM194.4 million in FY2024 and RM75.3 million in intangibles alone in FY2024.</p> <p>The PRC goodwill carrying value declined from RM973 million in 2024 to RM863 million in 2025, a RM110 million reduction. Management asserts no “reasonably possible” change in assumptions would cause material impairment. Given that PRC revenue fell 13% in FY2025, what revenue growth rate and gross margin are embedded in the 5-year VIU cash flow model for China? And at what further revenue decline level would goodwill impairment be triggered?</p>	<p>In 2025, the Group recognised an impairment charge of RM62 million following the underperformance of a store in Jiangxi, based on value-in-use (“VIU”) calculations.</p> <p>VIU test is performed individually for each cash-generating unit, incorporating assumptions such as revenue, gross margins, operating expenses, and the overall market and economic conditions. A 13% decline in country-level revenue does not translate uniformly into impairment risk across all stores, as the performance and recovery prospects of individual locations may vary significantly.</p>
<p>20. Total group borrowings stand at RM1.778 billion, of which RM1.289 billion is non-current bank borrowings. Key lenders include Bank of China (Malaysia), China Merchants Bank, China Zheshang Bank, and Bank of China (HK).</p> <p>a) What percentage of the RM1.778 billion borrowings are denominated in Renminbi versus RM or USD?</p> <p>b) What are the key covenant conditions attached to these facilities, and how close is the Group to any covenant thresholds?</p> <p>c) Given the Rmb's continued weakening contributed to currency translation losses of RM80.6 million, is there any natural hedge or active hedging strategy in place?</p>	<p>About 76% of the Group's borrowings are denominated in Renminbi.</p> <p>There is no key covenant conditions attached to the Renminbi borrowings. However, the said borrowings are secured by two properties of the Group in China.</p> <p>On consolidation, the assets and liabilities of foreign operations are translated into RM, resulting in the aforementioned currency translation losses. Nevertheless, the Group seeks to maintain a natural hedge, whenever possible, by borrowing in the same currencies as the revenue streams generated from its investments.</p>

<b>No. Questions</b>	<b>Parkson's Reply</b>
<p>21. The Group incurred a tax expense of RM67.1 million despite a pre-tax loss of RM7.5 million. This implies an effective tax rate of approximately -897%. Please explain in plain terms: Why is the Group paying RM67 million in taxes when it is losing money? How much of this relates to withholding taxes on dividends upstream from PRGL and PRA? Is this structurally unavoidable, or are there transfer pricing or treasury arrangements being explored to reduce the tax drag?</p>	<p>The Group incurred tax expenses despite being in a loss-making position, as tax losses incurred by certain subsidiaries could not be offset against the taxable profits of other subsidiaries. The higher effective tax rate was also attributable to certain non-deductible expenses, including offshore financing costs.</p> <p>During the year, no withholding tax was incurred on dividends upstream from PRGL and PRA.</p>
<p>22. The Group carries RM2.17 billion in non-current lease liabilities and RM0.35 billion current, totalling RM2.52 billion, significantly exceeding the financial debt of RM1.78 billion. Cash paid for lease liabilities in 2025 was RM500.4 million.</p> <p>What is the weighted average remaining lease term across the store portfolio in China and Malaysia? Given the ongoing store rationalisation in China (5 closures in 2025), are there break clauses or early termination options in underperforming leases? What are the estimated penalty costs if leases are exercised early?</p>	<p>The Group's lease portfolio comprises a mix of long-term and medium-term leases across both China and Malaysia. The majority of lease commitments are concentrated in longer-dated leases at better-performing and more strategically important locations, while the near-term portion reflects the active renewal pipeline and ongoing flexibility to optimise or exit leases as required.</p> <p>Most lease agreements in China contain break clauses and early termination options. These provisions are typically structured to allow termination where a store's performance falls below certain thresholds, thereby providing the flexibility to exit persistently loss-making locations. Each tenancy agreement is individually negotiated, and the terms vary from store to store.</p> <p>Where a store closure is undertaken, the total cost generally comprises landlord compensation or penalties under the lease agreement, and any penalties arising from early termination of sub-tenancy or brand arrangements with retail partners.</p>

<b>No. Questions</b>	<b>Parkson's Reply</b>
<p>23. China revenue fell 13% (from RM1,950 million in 2024 to RM1,702 million in 2025) yet segment profit rose 26% (from RM205 million in 2024 to RM259 million in 2025). Management credits "income from lease modification" and improved efficiencies.</p> <p>a) What was the actual quantum of lease modification income embedded in China's RM259 million operating profit? This is a non-recurring item, what would "normalised" China operating profit look like excluding it?</p> <p>b) Of the 5 store closures in FY2025, which cities/tier levels were affected, and what was the net book value of assets written off or impaired associated with these closures?</p> <p>c) The Group opened 2 new formats in China (Datong Outlets, Mianyang Shangma). What are the revenue and profitability targets for these, and over what payback period?</p>	<p>Lease modification income amounted to approximately RM40 million for the financial year ended 31 December 2025. Excluding this, Parkson China would have recorded an operating profit of RM219 million.</p> <p>In 2025, Parkson China closed stores in the cities of Beijing, Panzhihua, Shaoxing, Wuxi and Guiyang. While the store closure costs, including assets written-off and compensation costs, amounted to approximately RM38 million, Parkson China also recognised gain on lease termination primarily from the closures in Beijing and Guiyang, which fully offset the related closure costs.</p> <p>The new stores in Mianyang and Datong form part of a deliberate strategy to deepen our presence in cities where the Group already has an established footprint. Both stores are currently in their ramp-up phase and the Group will closely monitor the stores' performance.</p>
<p>24. Malaysia segment profit fell 23% (RM171 million in 2024 to RM132 million in 2024) despite store count increasing from 37 to 39 (Parkson Sentra Mall Ipoh and Parkson Hextar World opened in late 2025).</p> <p>a) Are the two new stores in Ipoh and Klang Valley profitable on a store-level basis, or are they still in ramp-up losses?</p> <p>b) What is the total capital expenditure associated with these new store openings?</p>	<p>The 2 new stores are profitable in their first few months of operations.</p> <p>Capital expenditure for the 2 new stores was minimal, as the majority of the costs were borne by the landlords.</p>

<b>No. Questions</b>	<b>Parkson's Reply</b>
<p>c) Given 39 stores across Malaysia, a market where mid-tier department stores are under secular pressure from e-commerce, does the Board have a clear view on the optimal number of stores, and at what store count would further expansion cease?</p> <p>d) Are there any loss-making Malaysian stores currently on a "watch list" for rationalisation?</p>	<p>Malaysia is a relatively large country relative to its population, and with ongoing rural-to-urban migration, it is challenging to determine an optimal store count. Where opportunities arise in areas where the Group does not currently have a presence, the specific location will be evaluated on its merits, with store size varying depending on local market conditions and demand.</p> <p>The Group is undertaking operational enhancements and cost optimisation measures to improve the performance of underperforming stores.</p>