



PARKSON 百盛
PARKSON RETAIL ASIA LIMITED

2025

Annual Report



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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 39 department stores across cities in Malaysia as at 31 March 2026.

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 its own 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
Tang Pei Chan

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: Ling Guo Leng
(With effect from the financial year ended
31 December 2025)

PRINCIPAL BANKERS

United Overseas Bank
Malayan Banking 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 2025 ("FY2025").

In 2025, the retail industry in Malaysia as a whole registered a growth of *2.4%, mainly contributed by the mini-markets, convenience stores and supermarkets / hypermarkets sectors which benefited from the government cash aid programmes (MYKASIH / SARA) for Malaysian citizens to purchase designated basic necessities.

However, the same is not reflected in the department store's sub-sector which registered a decline of *4.8% over the same period and Parkson Malaysia's sales performance is no exception to the trend.

As in previous years, the biggest challenges for the retail industry in Malaysia are the rising cost of living for Malaysian consumers and the increasing operating costs for retailers. The expansion of scope of the Sales and Services Tax for selected services (including rental and construction) as well as the increase in stamp duty rate and its stricter enforcement, has added more pressure to operating costs amidst declining sales.

For FY2025, the Group recorded the following as compared to the previous financial year ended 31 December 2024 ("FY2024"):

	FY2025 S\$'million	FY2024 S\$'million
Gross sales proceeds	510.5	520.4
Revenue	208.3	214.8
Profit before tax	28.6	35.4

The weaker performance was generally driven by the continued rise in the cost of living, shift in consumer lifestyle spending towards leisure

* Data extracted from Retail Group Malaysia (RGM) market report.



"On behalf of the Board, I would like to extend our sincere appreciation to our management team, employees, customers, shareholders, suppliers, business associates and all stakeholders for your continued trust and steadfast support."

and travel, and the ongoing trade war. These had dampened consumer sentiments and spending habits, which in turn exerted pressure on the Group's bottom line.

Store Assessment

I am pleased to announce that we have opened two (2) new stores during the year, with the total number of stores as at 31 December 2025 standing at 39.

We remain pro-active in monitoring and evaluating the performance and viability of our stores and business ventures besides actively seeking opportunities to expand our store network into

CHAIRMAN'S STATEMENT

local markets where we currently do not have a presence.

Outlook

In light of the Group's performance in FY2025, the management remains committed to strengthen the Group's operations and financial performance through its initiatives to enhance product offerings, improve gross margins, further optimise operational efficiency and productivity, implement targeted promotional activities and maintain disciplined cost management.

The Group will continue to focus on its core Parkson department store business while expanding its private label business. At the same time, the Group will pursue opportunities for new store openings, refurbish aged stores to align with evolving market trends, and regularly review store sizes to ensure optimal productivity and operational efficiency.

Ongoing trade tensions coupled with persistent inflationary pressures, rising cost of living and evolving consumer spending patterns have continued to affect the Group's operations and financial performance. The Group will continue

to adopt a prudent approach in addressing these challenges, prioritising operational resilience and sustaining performance in this dynamic environment.

Acknowledgement

On behalf of the Board, I would like to extend our sincere appreciation to our management team, employees, customers, shareholders, suppliers, business associates and all stakeholders for your continued trust and steadfast support. Your confidence in the Group has been a strong source of encouragement as we navigate challenges and pursue new opportunities for growth.

I would also like to express my heartfelt thanks to my fellow Board members for their dedication, wisdom and unwavering commitment in serving and guiding the Group forward.

Tan Sri Cheng Heng Jem

Executive Chairman

Singapore
31 March 2026



FINANCIAL HIGHLIGHTS

	FY2021 (18 months) SGD'000	FY2022 SGD'000	FY2023 SGD'000	FY2024 SGD'000	FY2025 SGD'000
Consolidated Income Statement					
Gross sales proceeds ⁽¹⁾	686,515	589,073	535,749	520,446	510,456
Revenue	248,411	230,838	221,584	214,812	208,312
Earnings before interest, depreciation, amortisation and tax	131,392	104,128	89,256	87,566	80,813
Net (loss)/profit after tax	13,744	28,746	25,190	24,118	21,060
Net (loss)/profit attributable to owners of the Company	13,730	28,755	25,197	24,123	20,878
Basic and diluted (loss)/profit per share (cent)	2.04	4.27	3.74	3.58	3.10
Consolidated Statement of Financial Position					
Total assets	349,708	354,670	295,108	324,439	301,593
Total liabilities	398,965	371,671	284,463	285,802	268,096
Total equity	(49,257)	(17,001)	10,645	38,637	33,497

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

Store Review

As at 31 December 2025, the Group's department store network comprised 39 (31 December 2024 : 37) stores spanning approximately 417,000 sqm of Gross Floor Area.

Financial Results

	Group		
	31.12.2025	31.12.2024	+ / (-)
	S\$'000	S\$'000	%
Revenue	208,312	214,812	(3.0)
Other items of income			
- Finance income	3,766	3,784	(0.5)
- Other income	5,388	5,497	(2.0)
Items of expense			
- Changes in merchandise inventories and consumables	(65,210)	(68,344)	(4.6)
- Employee related expense	(39,441)	(37,346)	5.6
- Depreciation of right-of-use assets	(39,031)	(37,506)	4.1
- Depreciation of property, plant and equipment	(6,067)	(6,515)	(6.9)
- Promotional and advertising expenses	(1,320)	(1,340)	(1.5)
- Operating lease expenses	(5,959)	(5,208)	14.4
- Interest expense on lease liabilities	(10,566)	(11,609)	(9.0)
- Finance costs	(361)	(273)	32.2
- Other expenses	(20,957)	(20,507)	2.2
Total expenses	(188,912)	(188,648)	0.1
Profit before tax	28,554	35,445	(19.4)
Income tax expense	(7,494)	(11,327)	(33.8)
Profit after tax	21,060	24,118	(12.7)
Profit/(loss) attributable to:			
Owners of the Company	20,878	24,123	(13.5)
Non-controlling interests	182	(5)	>100
	21,060	24,118	(12.7)

Review of performance of the Group

The components of the Group's Gross Sales Proceeds ("GSP") are as follows: -

	Group		
	31.12.2025	31.12.2024	+ / (-)
	S\$'000	S\$'000	%
GSP			
Sales of goods - direct sales	89,190	94,733	(5.9)
Sales of goods - concessionaire sales	416,683	420,739	(1.0)
Total merchandise sales	505,873	515,472	(1.9)
Consultancy / management service fees	471	480	(1.9)
Rental income	1,273	1,789	(28.8)
Food and beverage	2,839	2,705	5.0
GSP from continuing operations	510,456	520,446	(1.9)

The y-o-y total merchandise sales remains relatively consistent with the previous year. Merchandise sales mix remained largely concessionaire at 82.4% (2024: 81.6%) while contribution from direct sales was 17.6% (2024: 18.4%).

Rental income decreased y-o-y by 28.8% mainly due to the higher recognition of lease receivables in the previous year. Food and beverage operations registered a y-o-y increase in sales by 5.0% due mainly to the halal certification obtained in the previous year which enabled higher supply of breads to other retail outlets.

Merchandise gross profit margin stood at 27.8% (2024: 27.8%).

MANAGEMENT DISCUSSION AND ANALYSIS

Expenses

Total expenses of the Group increased y-o-y by 0.1% with the analysis of major expenses as follows:

Employee related expense

Employee related expense increased y-o-y by 5.6% mainly due to the increase of minimum wage and the expansion of the private label business.

Operating leases expenses

Operating lease expenses increased by 14.4% largely due to the expansion of the private label business.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment decreased y-o-y by 6.9% resulting mainly from some of the plant and equipment being fully depreciated and written-off during the year.

Interest expense on lease liabilities

Interest expense on lease liabilities decreased y-o-y by 9.0% due to the reduction in lease liabilities as a result of repayment.

Other expenses

Other expenses for the current year comprised mainly (a) selling and distribution expenses which amounted to S\$4.7 million; (b) general and administrative expenses amounting to S\$8.0 million; and (c) other operating expenses which came to S\$8.2 million. The increase in other expenses was mainly due to impairment of right-of-use assets.



MANAGEMENT DISCUSSION AND ANALYSIS

Profit before tax

The Group recorded a lower profit before tax of S\$28.6 million for the current year compared with S\$35.4 million in the previous year, mainly due to lower sales during the year under review.

Income tax expense

Income tax expense decreased y-o-y by 33.8% primarily due to lower profit before tax resulting from reduced sales.

Group Statement of Financial Position

The Group was in a net current liabilities ("NCL") position of S\$4.1 million as at 31 December 2025 due to dividends paid to shareholders on 12 June 2025 which reduced its cash and short-term deposits. As a result, total equity of the Group decreased to S\$33.5 million.

Right-of-use assets decreased to S\$111.7 million due to amortisation.

Inventories decreased to S\$26.9 million arising from inventory management.

Cash and short-term deposits decreased to S\$120.1 million as a result of dividends paid and repayment to creditors during the year.

Lease liabilities (current and non-current) decreased to S\$34.4 million and S\$101.1 million respectively due to repayment.

Accumulated losses increased to S\$41.7 million, after taking into account dividends paid during the year.



MANAGEMENT DISCUSSION AND ANALYSIS

Company Statement of Financial Position

Investments in subsidiaries increased to S\$122.2 million due to fluctuations in foreign exchange.

Trade and other receivables (current) recorded nil balance as at 31 December 2025 as a result of impairment of advances to subsidiaries.

Cash and short-term deposits increased to S\$0.8 million due to dividend received from a subsidiary.

Trade and other payables decreased to S\$19.7 million in view of dividend received from a subsidiary.

Group Cash Flow

For the current year, the Group recorded net cash inflow from operating activities of S\$72.7 million, net cash used in investing activities of S\$5.0 million and net cash used in financing activities of S\$77.4 million, resulting in a net decrease in cash and cash equivalents of S\$9.7 million (2024 : net increase of S\$15.5 million). The net decrease in cash and cash equivalents was mainly due to dividends paid and repayment to creditors during the year.



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 25 April 2025. 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, computer and security industries, general insurance, logistics and transportation, and petroleum-based products. 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 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 Chairman and Executive Director 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 the Chairman and 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 Singapore Exchange Securities Trading Limited. He is a Founding Member and Permanent Trustee of The Community Chest and a Founding Member and Chairman of Kuen Cheng Holistic Education Berhad, both Malaysian companies limited by guarantee, the former established by the private sector for charity purposes and the latter for the provision of general private education.

Tan Sri Cheng 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 25 April 2025. He is the Lead Independent Director, Chairman of the Audit Committee and the Nominating Committee and a member of the Remuneration Committee.

BOARD OF DIRECTORS

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. He also sits on the Board of Lion Asiapac Limited as an Independent Director, a public company listed on the Singapore Exchange.

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 a practising Auditor of Ministry of Finance in Malaysia and 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 a Board member of The Credit Counselling and Debt Management Agency (AKPK) under the Central Bank of Malaysia and a 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 and Lion Asiapac Limited, a public listed company listed on the Singapore 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.

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 relations 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 18 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 fellow 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 communities 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 FY2025, the Foundation disbursed scholarships amounting to RM380,000 to 38 undergraduates pursuing their bachelor's degree in local institutions of higher learning.

Medical Assistance for the Less Fortunate




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

In FY2025, approximately RM132,313 was disbursed to support the medical treatment needs of 11 individuals, including sponsorships for surgeries, equipment, and medication.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Foundation also made contributions to the following causes:

No	Organisation	Amount (RM)	Purpose	No of beneficiaries
1	 Cataract Surgery Centre, Hospital Selayang	10,100	Donation to B40 group needing cataract operation	44
2	 Cataract Surgery Centre, Hospital Selayang	19,951	Purchase of 1 set of surgical instruments for cataract surgeries	Patients undergoing cataract surgery at the Centre (on-going)
3	 Home for Handicapped and Mentally Disable Children in Banting, Selangor	159,095	General welfare for the Home's residents	94

Other CSR Initiatives

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



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PROXY FORM



CORPORATE GOVERNANCE REPORT

The Board of Directors (each a “**Director**”, and collectively the “**Board**” or “**Directors**”) of Parkson Retail Asia Limited (the “**Company**”) is committed to maintaining high standards of corporate governance within the Company and its subsidiaries (collectively, the “**Group**”). The Board recognises that good corporate governance establishes and maintains a legal and ethical environment, which is essential for preserving and enhancing the interest of all stakeholders.

This Corporate Governance Report describes the Group’s corporate governance framework and 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 under the Listing Manual, for the financial year ended 31 December 2025 (“**FY2025**”). 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, the Company has generally complied with all of the principles set out in the Code for FY2025.

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 effective entrepreneurial leadership to the Group;
- guiding and setting 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 (as defined in the Code) (“**Key Management Personnel**”) to ensure that they are managed;
- assessing the adequacy and effectiveness of internal controls (including financial, operational, compliance and information technology controls) and risk management systems, including business continuity arrangements, to safeguard shareholders’ investments, the Group’s assets and the quality of internal and external reports such as the Company’s financial reports;
- 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 exercise due diligence and independent judgement in discharging their duties and responsibilities at all times as fiduciaries, act and make decisions objectively in the best interests of the Group.

All Directors are required due care and maintain the confidentiality of information entrusted to them by the Company and carry out their responsibilities in compliance with applicable laws, rules and regulations.

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 Directors' Resolutions in writing of the Company.

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 Key Management Personnel 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 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 ISCA Academy Pte. Ltd. and SAC Capital Private Limited, to equip him/her with the skills and knowledge to execute his/her duties as directors effectively and familiarise himself/herself with the roles and responsibilities of a director of a listed company. No new Directors or First-time Directors were appointed during FY2025.

All Directors are also given the opportunity to visit the Group's operational facilities and meet with Management.

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.

Matters requiring Board's approval

The approval of the Board is required for any matters which is likely to have a material impact on the Group's operating units and/or financial positions as well as matters other than in the ordinary course of business.

CORPORATE GOVERNANCE REPORT

Matters reserved for the Board's decisions are as follows:

- the Group's broad policies and strategic business plans;
- the Group's annual financial budget;
- material acquisitions, investments and divestments and/or capital commitment above certain set threshold by the Group;
- 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; and
- appointment of Directors and Key Management Personnel, and their remuneration and compensation packages.

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 facilitate effective management and assist the Board in executing its duties and responsibilities in the interests of the Company and to enhance the Group's corporate governance framework.

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.

The effectiveness of each Board committee is also constantly monitored. A summary of each committee's activities is disclosed respectively under Principles 4, 6 and 10 below.

As of the date of this Report, the composition of the Board and the Board Committees 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	Executive Director	-	-	-
Michael Chai Woon Chew	Lead Independent Director	Chairman	Chairman	Member
Datuk Koong Lin Loong	Independent Director	Member	Member	Chairman
Sam Chong Keen	Independent Director	Member	-	Member

There were no changes in the composition of the Board and the Board Committees during FY2025.

CORPORATE GOVERNANCE REPORT

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.

Directors may request further explanations, briefing or discussion on any aspect of the Group's operations or business from Management. When circumstances require, Board members exchange views outside the formal environment of Board meetings. The Board conducts an annual review of its processes to ensure that it is able to carry out its functions in the most effective manner.

Details of Board and Board Committees' meetings and general meeting, i.e. the AGM, held in FY2025 (i.e. from 1 January 2025 to 31 December 2025) are summarised as follows:

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

Executive Directors

Tan Sri Cheng Heng Jem	C	4/4	-	-	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

C – Chairman

M – Member

There was no extraordinary general meeting ("**EGM**") of the Company held during FY2025.

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.

CORPORATE GOVERNANCE REPORT

For 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. Directors may also request for additional information from Management during discussion or seek expert advice if they deemed such information necessary and appropriate for well-informed decision-making.

Management provides quarterly presentations to the Board on the financial performance of the Group. Annual budgets are presented to the Board for approval and adoption, and at subsequent quarterly Board meetings, variances between projections and actual results are tabled for the Board's review. Where necessary, the AC or the Board may request for re-forecasts or revised budgets. Monthly management accounts are also 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 whenever amendments occur. Management provides monthly financial reports to the Executive Directors ("**ED**"), 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.

The appointment and/or removal of the Company Secretary(ies) is the decision of the Board as a whole.

Where decisions to be taken require expert opinion or specialised knowledge, the Directors, whether as a group or individually, may seek independent professional advice as and when necessary, in furtherance of their duties at the Company's expense. The appointment of such independent professional advisor is subject to approval by the Board.

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.

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.

CORPORATE GOVERNANCE REPORT

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;
- (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 FY2025.

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

As at the end of FY2025, the Board comprises 5 Directors: 1 Executive Chairman, 1 ED and 3 IDs. As such, 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.

CORPORATE GOVERNANCE REPORT

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 current Board size is appropriate and facilitates effective decision making, taking into account the current scope and nature of the Group's operations and business requirements, and the need to avoid undue disruptions arising from changes to the composition of the Board and Board committees.

The Board has adopted a Board Diversity Policy, recognising and embracing the importance and benefits of having a diverse Board to enhance its performance. The main objective of the Board Diversity Policy is to maintain an appropriate balance of skills, experience, age, gender, cultural background, knowledge, competencies, tenure and independence to support the long-term success of the Company.

Key diversity metrics identified under the Board Diversity Policy include gender, skills and experience, tenure, independence and age:

- **Gender:** The Company targets at least 20% female representation on the Board. Currently, the Board 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:** The Board aims to maintain fair representation across different age groups and tenures while keeping an average age of 60 to 65 years. Presently, the Board comprises Directors ranging from their mid-30s to early-80s, with varying tenures. This diversity, combined with their business, management and professional experience, knowledge and expertise, provides core competencies and diverse and objective perspectives on the Group's business and strategic direction.
- **Skills and Experience:** Diversity of skills and experience on the Board brings greater resources for problem-solving and supports the Board's duty to monitor corporate performance and provide strategic insight. Currently, the Board possesses an appropriate balance of skills and experience, including accounting and finance, legal expertise, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge –
 - The Chairman, Tan Sri Cheng Heng Jem ("**Tan Sri Cheng**"), founded Parkson and other successful businesses, a few of which are also listed on recognised stock exchanges;
 - Ms Vivien Cheng, the youngest and only female Director, brings merchandising experience and has been mentored by her father, Tan Sri Cheng;
 - Mr Michael Chai Woon Chew ("**Mr Michael Chai**") contributes legal expertise;
 - Datuk Koong Lin Loong ("**Datuk Koong**") provides tax knowledge; and
 - Mr Sam Chong Keen ("**Mr Sam**") offers extensive management experience from his senior roles in both the Singapore government and private sectors.

In particular, the IDs, although not directly involved in retail operations, have strong commercial exposure and professional expertise, consistently offering objective opinions and advice for consideration of the EDs and/or Management.

- **Independence:** A balanced mix of independent and non-independent Directors ensures unbiased decision-making and external expertise. The Board Diversity Policy commits to maintaining 60% independence representation, exceeding the minimum prescribed 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 its membership.

CORPORATE GOVERNANCE REPORT

Under the Board Diversity Policy, the NC reviews and assesses the Board's composition to achieve an appropriate balance of diversity and mix of skills, experience, gender, age and core competencies such as accounting, legal and regulatory knowledge, 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.

The NC also reviews the structure, size, balance, and diversity of the Board annually based on objectives and strategies of the Company and reports on progress toward achieving a diverse composition. If required, it will propose changes to the Board to complement the objectives and strategies of the Company.

For FY2025, the NC concluded that the current Board and its 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 observe the Board Diversity Policy and will continue to review its effectiveness and recommend revisions where necessary.

While promoting boardroom diversity is essential, the Board emphasises that the normal selection criteria for Directors based on a blend of competencies, skills, experience, and knowledge should remain a priority. When assessing Board composition or identifying suitable candidates for appointment or re-endorsement, the NC considers merit against objective criteria set by the Board, having due regard to the overall balance and effectiveness.

Role of the NEDs and/or IDs

All Directors share equal responsibility for the Company's operations by ensuring that strategies proposed by Management are constructively challenged, thoroughly discussed, and carefully examined, taking into account the long-term interests of the Group's stakeholders, including shareholders, employees, customers and suppliers.

Mr Michael Chai, the Lead ID, plays a key role in leading and coordinating the activities of the NEDs. He assists the NEDs in constructively challenging and helping to develop strategic proposals, reviewing Management's performance in meeting agreed goals and objectives, and monitoring the reporting of performance.

To facilitate a more effective check on Management, NEDs are encouraged to meet regularly without Management's presence. In FY2025, the NEDs who were not involved in the Group's operations met several times without the presence of Management and held constant informal discussions among themselves. Any feedback would be provided to the Board and/or the 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 maintain 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 serves as the Executive Chairman, while the position of Group CEO is currently vacant.

CORPORATE GOVERNANCE REPORT

The division of responsibilities between the Chairman and the Group CEO is set out in writing and endorsed by the Board. The Chairman leads the Board in adhering to and maintaining high standards of corporate governance with the full support of the Directors and Management. His responsibilities include ensuring effective communication with shareholders and other stakeholders, setting the Board agenda, conducting effective Board meetings and encouraging constructive interaction in the boardroom. He approves the agenda for each Board meeting and ensures that complete and adequate information is provided to the Board in a timely manner to facilitate decision-making. The Chairman promotes a culture of openness and debate during meetings and facilitates the effective contribution of all Directors, and ensures that adequate time is available for discussion of all agenda items, particularly strategic matters. He also monitors communications and relationships between the Company and its shareholders, between the Board and Management and between independent and non-independent Directors to facilitate and encourage constructive relations and dialogue.

A Group CEO is responsible for the day-to-day operations of the Group, implementing strategies and policies, and overseeing the conduct of 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 to update the AC and the Board on strategic and operational matters.

Although Tan Sri Cheng currently assumes both the roles and responsibilities of Executive Chairman and CEO, despite not being designated as the Group CEO, which is a deviation from provision 3.1 of the Code, the Board believes that vesting these roles in a single individual who possesses deep knowledge of the business of the Group provides strong and consistent leadership, enabling effective planning and execution of long-term strategies. Nonetheless, major decisions made by Tan Sri Cheng are subject to review and approval by the Board. *In situations* where a conflict of interest in a proposed transaction arises, Tan Sri Cheng is required to recuse himself from discussions and decisions involving the issues of conflict. He is also required to avoid circumstances where his personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Group.

Consistent with the intent of principle 3 of the Code, the Board is of the opinion that adequate safeguards and checks are 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, where they constructively challenge Management's assumptions and proposals on all relevant issues affecting the affairs and the business of the Group, review performance of Management and monitor the reporting of performance; and
- (c) A Lead ID has been appointed to address shareholders' concerns that cannot be resolved through the normal channels of the Executive Chairman, ED or Chief Financial Officer ("**CFO**") for which such contact is inappropriate or inadequate. The Lead ID also serves as the principal liaison between the IDs and the Executive Chairman on sensitive issues.

Accordingly, the Board is satisfied that there is a balance of power and authority, and no individual has unfettered powers or dominates the decision-making process of the Company.

CORPORATE GOVERNANCE REPORT

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, Mr Michael Chai leads and encourages dialogue among the IDs without the presence of 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.

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.

CORPORATE GOVERNANCE REPORT

The principal activities of the NC during FY2025 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 established a formal process for the selection and appointment of new Directors. This process includes the identification of potential candidates, evaluation of their skills, knowledge and experience, and assessment of the candidate's suitability. Potential candidates may be recommended by existing Directors, professional firms and associates, and, where appropriate, identified through external consultants. All candidates' profiles are submitted to the NC for screening and selection. The NC will meet the shortlisted candidates to further assess their suitability before making recommendations to the Board for approval.

In considering the appointment of new Directors as well as the re-appointment or re-election of existing Directors, the NC takes into account a range of relevant factors. These include the composition of the Board, the need for progressive Board renewal, and each individual Director's competencies, commitment, contribution and performance considerations such as attendance at meetings, preparedness, participation and candour in Board and Board Committees deliberations.

All Directors appointed to the Board are required to submit themselves for re-election at regular intervals in accordance with the Company's Constitution, which 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. In addition, any Director newly appointed by the Board since the last AGM is required to retire and seek re-election at the forthcoming AGM. For the avoidance of doubt, an NC member will abstain from deliberating and voting on his/her own nomination for re-election, as well as that of another Director who is related to him/her.

In accordance with Article 91 of the Constitution of the Company, Datuk Koong and Ms Vivien Cheng will retire at the forthcoming AGM. Being eligible, Datuk Koong and Ms Vivien Cheng have submitted themselves for re-election.

In this regard, the NC, having considered the attendance and participation of (i) Datuk Koong and (ii) Ms Vivien Cheng at Board and Board Committees' meetings as well as Board processes, in particular, Ms Vivien Cheng's contributions to the business and operations of the Company and taken into account Datuk Koong'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 143 to 149 of this Annual Report.

CORPORATE GOVERNANCE REPORT

Review of Directors' Independence

The NC has established a formal process to determine a Director's independence. On an annual basis, following each financial year end, a Form of Declaration of Independence or Non-Independence ("**Form**") is sent to each Director. The Form requires each Director to assess if he/she meets the criteria for independence under the Code and to declare his/her independence or non-independence accordingly. The duly completed and signed Forms are submitted to the Company Secretary(ies) and tabled at the NC meeting for review.

In reviewing a Director's independence, the NC is not bound by the Director's self-declaration. While the disclosures made in the Forms assist the NC in its assessment, the NC also considers whether the Director has exercised, and is able to continue to exercise, independent judgement in the discharge of his/her duties. In addition to this annual review, the NC will convene a meeting to reassess a Director's independence whenever circumstances arise that warrant such a review. The NC's findings are thereafter presented to the Board for its consideration.

During the financial year under 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 none of the Directors has any 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 NC's assessment on the independence of the IDs. Each of the IDs had recused themselves from the NC's and the Board's deliberations on their own independence. None of the IDs have served on the Board for more than nine (9) years from the date of their first appointment.

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 circumstances 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. There was no alternate Director appointed to the Board during the financial year under review.

CORPORATE GOVERNANCE REPORT

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 an assessment process for the NC to evaluate the effectiveness of the Board and its Board committees. This assessment is conducted through a confidential questionnaire completed by each Director individually and covers areas such as the effectiveness of the Board and its Board committees in its carrying out their monitoring role, the ability to achieve strategic objectives and maintain effective risk management, as well as their response to problems and crisis situations. The performance criteria and assessment process have been endorsed by the NC and the Board.

The assessment of individual Directors is carried out through a combination of self-assessment and peer-assessment. This evaluation focuses on areas such as each individual Director's contribution to the effectiveness of the Board, whether the Director continues to demonstrate commitment to the role, and the extent to which he/she contributes meaningfully to discussions and decision-making. These assessments are also conducted through confidential questionnaires completed by each Director.

A summary of the completed assessment questionnaires is compiled by the Company Secretary(ies) and submitted to the NC for review, and thereafter presented to the Board. The Board acts on the results of the performance evaluation and, in consultation with the NC, determines the re-election of Directors, the appointment of new Directors where appropriate, or seek the resignation of Directors who are not able to commit sufficient time or contribute effectively to the Board.

The evaluations of the Board, Board committees and individual Directors for FY2025 were conducted in February 2026 in accordance with the procedures adopted by the Board. The Board was satisfied that the Board as a whole and its Board committees were effective, and that each Director had demonstrated commitment and contributed constructively to the effective functioning of the Board and the Board committees. No external facilitator/consultant was engaged to assist with this performance evaluation exercise.

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)

CORPORATE GOVERNANCE REPORT

The RC is regulated by a set of written terms of reference which are in line with the Code, 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 FY2025 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 considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind. A RC member is required to abstain from deliberating on and voting in respect of his or her own remuneration. Where necessary, the RC may seek expert advice on remuneration matters. No external remuneration consultant was engaged by the RC during FY2025.

The RC also reviews the termination clauses in the contracts of service of key management personnel to ensure that such provisions are fair and reasonable and not overly generous. The RC aims to provide fair and competitive compensation while remaining mindful 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.

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.

Level and mix of remuneration for Key Management Personnel

The Company establishes key performance indicators ("KPIs") for Key Management Personnel, and a portion of their remuneration is tied to the attainment of these KPIs. This performance-linked component is intended to align remuneration outcomes with corporate and individual performance, promoting accountability, and motivate Key Management Personnel to manage the Company with a long-term perspective.

CORPORATE GOVERNANCE REPORT

Remuneration of Top Key Management Personnel

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 FY2025, disclosure is only made in respect of the remuneration of these four key management personnel in the table below:

	Salary	Variable Bonus	Contribution to Defined Contribution Plan	Benefits	Total
	%	%	%	%	%
Key Management Personnel					
Law Boon Eng	60	33	4	3	100
Natalie Cheng Hui Yen	66	20	10	4	100
Chong Lee Mei	69	20	11	-	100
Jocelyn Tee Chiew Ying	72	17	11	-	100

After careful consideration, the Board had decided not to fully disclose the detailed breakdown of the remuneration of the top four KMP. This is due to the confidentiality of remuneration matters and the Board believes that such disclosure may be prejudicial to the Group's business interests given the competitive environment in which the Group operates. Instead, remuneration is disclosed in bands of S\$250,000, with a percentage breakdown of remuneration components comprising salary, variable bonus, employer contributions to defined contribution plans, and other benefits.

For FY2025, the aggregate total remuneration paid to the top four Key Management Personnel (excluding the Directors) was S\$699,000.

Notwithstanding the deviation from Provision 8.1(b) of the Code, the Board is of the view that the disclosures made are consistent with the intent of Principle 8 of the Code and provide shareholders with sufficient information to understand the relationship between remuneration, performance, and value creation. This includes disclosure of the use of KPIs in determining KMP remuneration, as well as the RC's oversight to ensure that remuneration is fair and performance-linked.

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 Director or Key Management Personnel which provide for benefits upon termination of employment, retirement or post-employment, including stock options, pensions or other retirement benefits. The RC has also reviewed the termination clauses in the contracts of service of Key Management Personnel and is satisfied that they are fair and reasonable and not overly generous.

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, is employed by a subsidiary of the Company. She received remuneration within the band of S\$100,000 to S\$150,000 for FY2025. Her remuneration was determined on the same basis as other employees and comprised salary, variable bonus, employer contributions to defined contribution plans, and other benefits. Save as disclosed, there are no employees who are immediate family members of a Director, the CEO, or a substantial shareholder.

CORPORATE GOVERNANCE REPORT

Details of employee share schemes

The Parkson Retail Asia Limited Employee Share Option Scheme (the “**ESOS**”) was adopted on 12 October 2011 and expired on 11 October 2021 after its maximum duration of 10 years. No share options were granted under the ESOS.

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.

The Group’s control environment forms the foundation of its system of internal controls. It establishes discipline and structure, sets the appropriate tone within the organisation, and influences the control consciousness of employees. The Board recognises that a weak control environment would undermine the effectiveness of even well-designed internal control procedures.

Although the Company does not have a dedicated Risk Management Committee, the Board regards risk management as an integral part of business operations and has delegated oversight of the Group’s risk governance to the AC. The Group has implemented a Corporate Risk Management System based on an Enterprise-Wide Risk Management Framework (“**CRMS-ERM**”). The CRMS-ERM Manual sets out the processes for risk identification, evaluation, treatment, risk appetite setting, control, tracking, and monitoring of strategic, business, financial, and operational risks.

Management plays a key role in establishing, maintaining and evaluating the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems (“**Internal Control and Risk Management Systems**”) of the Group pursuant to provision 9.2(b) of the Code and Rule 1207(10) (cross-referenced with Practice Note 12.2 Internal Controls and Risk Management Systems) of the Listing Manual. Management reports the status of key risks and control matters to the AC. For FY2025, the AC received the Risk Management Report on a half-yearly basis, and key risks were reviewed and discussed at the relevant AC meetings.

The internal audit team conducts independent and detailed reviews to assist the AC in evaluating the adequacy and effectiveness of the Group’s internal controls. These reviews encompass financial and accounting controls, compliance controls, business and financial risk management processes, as well as controls over critical information technology systems, including data security and system availability.

In forming its views on the adequacy and effectiveness of the Group’s internal controls and risk management systems, the Board and the AC do not passively rely on information provided by Management and make further inquiries where circumstances so require. The Board and the AC are satisfied that during FY2025, there were no circumstances where the finance function or key positions for relevant functions were left vacant due to staff turnover or any lack of required competency of existing personnel that would necessitate short-term measures or the engagement of independent technical professionals. Should any uncertainty arise in accounting treatment of any transactions due to changes to accounting policies or occurrence of significant events, the Board and the AC will seek advice from appropriately qualified external accounting professionals, if required.

CORPORATE GOVERNANCE REPORT

Risks relating to Sanctions Law

The Board confirms that as at the date of this annual report, insofar as it is aware and based on Management's confirmation, the Group is not at risk of becoming subject to, or violating, any sanctions-related law or regulation. The AC and the Board will assess the need to obtain independent legal advice or appoint a compliance adviser in relation to the sanctions-related risks applicable to the Group and continuous monitoring the validity of the information to shareholder and the SGX-ST, if required.

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 from the Executive Chairman and the CFO that as at FY2025:

- (a) the finance function is adequately staffed and the key personnel responsible for preparing or overseeing the preparation of financial statements are experienced, competent and appropriately qualified;
- (b) the relevant functions responsible for implementing, operating and monitoring the Group's internal controls and policies are competent and adequately resourced; and
- (c) there is no uncertainty on any accounting treatment due to changes to accounting policies or occurrence of significant events.

The Executive Chairman and the CFO further confirmed to the best of their knowledge and belief that for FY2025:

- (a) nothing has come to their attention which would render the financial statements to be false or misleading in any material aspects;
- (b) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances;
- (c) the Group's Internal Control and Risk Management Systems in place are adequate and effective in addressing its material risks in the Group's current business environment; and
- (d) there are no known significant deficiencies or lapses in the Group's Internal Control and Risk Management Systems which could adversely affect its ability to record, process, summarise or report financial data, or any fraud that involves Management or other employees who have a significant role in the Group's Internal Control and Risk Management Systems.

The Board has also received written assurance from the Key Management Personnel who are responsible for Internal Control and Risk Management Systems that the relevant functions responsible for implementing, operating and monitoring the Group's internal controls and policies are competent and adequately resourced. The Key Management Personnel further confirmed to the best of their knowledge and belief that for FY2025:

- (a) the Group's Internal Control and Risk Management Systems in place are adequate and effective in addressing its material risks in the Group's current business environment; and
- (b) there are no known significant deficiencies or lapses in the Group's Internal Control and Risk Management Systems which could adversely affect its ability to record, process, summarise or report financial data, or any fraud that involves Management or other employees who have a significant role in the Group's Internal Control and Risk Management Systems.

CORPORATE GOVERNANCE REPORT

Rule 1207(10) (Cross-referenced with Practice Note 12.2 Internal Controls and Risk Management System) of the Listing Manual

Pursuant to Rule 1207(10) (Cross-referenced with Practice Note 12.2 Internal Controls and Risk Management System) 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, the work performed by the internal and external auditors, reviews conducted by Management, the Board and Board committees, and the written assurances received, the Group's risk management and internal controls systems addressing financial, operational, compliance and information technology controls, and risk management systems were adequate and effective as at 31 December 2025. Where control weaknesses were identified, these were addressed by Management. No material weaknesses were identified for FY2025.

The Board recognises that no internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against the occurrence of material misstatement/errors or loss, poor judgement in decision-making, human errors, fraud or other irregularities. The ongoing review of the Group's risk management and internal control framework with a view to further strengthen its governance and controls is a concerted and continuing process.

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

- Mr Michael Chai, the Chairman of the AC, 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.

Further details of the Directors may be found 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.

CORPORATE GOVERNANCE REPORT

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 the assurances received from the Executive Chairman and the CFO on the financial records, financial statements and the Group's Internal Control and Risk Management Systems;
- reviewing the adequacy and effectiveness of the Group's Internal Control and Risk Management Systems and reporting its findings to the Board at least annually;
- 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, the AC is responsible for reviewing the policy and arrangements by which staff of the Company and other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, to ensure that such concerns are independently investigated and appropriate follow-up actions are taken.

The AC is authorised by the Board to investigate any matter within its terms of reference and has full access to Management and all relevant records, as well as the authority to invite any Director or executive officer to attend its meetings. The AC is provided with reasonable resources to enable it to discharge its functions.

The AC held four meetings in FY2025. Key Management Personnel attended all meetings at the invitation of the AC, and the Company's external auditor was also present at two of these meetings.

The principal activities of the AC during FY2025 are summarised below:

- a. met with the external and the internal auditors without the presence of the EDs and Management at least once in FY2025 (i.e., on 18 February 2025);
- 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 FY2025 prior to making recommendations to the Board for approval;

CORPORATE GOVERNANCE REPORT

- c. 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;
- d. 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;
- e. recommended to the Board for re-appointment of external auditors for the ensuing year;
- f. received the Risk Management Report and reviewed key risks;
- g. reviewed whether the internal audit function is independent, effective and adequately resourced;
- h. 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, disclosed the steps to address them;
- i. reviewed whistle blowing reports, if any; and
- j. 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 themselves apprised of changes to accounting standards and financial reporting matters through periodic meetings with the external auditor and participation in external seminars at the Company's expense.

Having reviewed the audit and non-audit fees paid or payable to the external auditor, Foo Kon Tan LLP, for FY2025, the AC is of the opinion that the independence and objectivity of the external auditor are not compromised. The external auditor has affirmed its independence in this regard. The aggregate amount of audit and non-audit fees paid/payable to the external auditor is set out below:-

	31 December 2025	
	S\$'000	%
Audit services	180	97
Non-audit services	5	3
	185	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, the firm'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, are satisfied that the Group had complied with Rule 712 of the Listing Manual. The AC has therefore 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 the Board are satisfied that the appointment of different auditors for certain subsidiaries, as disclosed in Note 5 of the notes to the financial statements, does not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Company confirms its compliance 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.

CORPORATE GOVERNANCE REPORT

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.

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.

There were no reports of whistleblowing received in FY2025.

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 appointment, removal, performance evaluation and remuneration of the Chief Auditor are approved by the AC.

The internal audit team is independent of the Group’s daily operations and accounting functions and has unfettered access to all of the Group’s documents, records, properties and personnel, including the AC, and has appropriate standing within the Group. The Chief Auditor is responsible for establishing and maintaining the Group’s internal control framework, which covers all material controls, including financial and accounting matters, operational and compliance controls, as well as the identification and management of risks, including controls over critical information technology systems.

The IAD is adequately resourced and staffed with persons with the relevant qualifications and experience. During FY2025, the internal audit function comprised four (4) personnel, including members of the Association of Chartered Certified Accountants and the Institute of Internal Audit Malaysia, as well as degree holders with backgrounds in 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.

A risk-based internal audit plan is prepared annually by the IAD and submitted to the AC for approval. In reviewing and approving the plan, the AC considers the adequacy of the IAD’s scope, functions and resources, as well as the competency of the internal audit personnel. The internal audit plan is formulated based on the risk profiles of the auditable units and is aligned with the Group’s strategic objectives.

CORPORATE GOVERNANCE REPORT

Based on the approved annual audit plan, the Chief Auditor formulates detailed engagement plans and, together with the internal audit team, conducts periodic independent reviews of the operations of the Group's divisions to identify any irregularities and risks. The IAD develops action plans and recommendations to address the identified risks and reports its key findings and progress to the AC on a regular basis. The AC, in turn, reports to the Board on any material issues identified and makes appropriate recommendations.

The AC reviews the independence, adequacy and effectiveness of the internal audit function on a quarterly basis upon receipt of the internal audit reports at its quarterly meetings.

For FY2025, the AC is satisfied that the internal audit function was independent, effective and adequately resourced, and that it had appropriate standing within the Group.

Principle 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) 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.

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The Directors and the Chairman of the AC, the NC and the 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 2025 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.

Independent scrutineers are appointed to conduct the voting process. The independent scrutineer briefs the shareholders on the polling voting process and verifies and tabulates the 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 whether the resolution is passed. 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.

A tax-exempt (one-tier) special interim dividend of S\$0.04 per ordinary share was declared for FY2025 and was paid on 12 June 2025. No final dividend was declared in FY2025 as the Group is conserving cash for working capital and future expansion.

Principle 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 ongoing dialogue with its shareholders and believes in regular, effective and fair communication. Engagement with shareholders is conducted through various channels, including analyst briefings, investor roadshows and investors' day briefings, where appropriate, to ensure shareholders are kept informed of the Group's performance, strategy and developments, and to enable the Company to understand and address shareholders' concerns, where practicable.

CORPORATE GOVERNANCE REPORT

The Company's investor relations policy is based on the principle of equal access to information. All shareholders are kept equally informed of material developments and events relating to the Company in a timely manner. Financial results announcements and annual reports are released within the prescribed timelines in accordance with the Listing Manual. Where appropriate, briefings for the full-year financial results are conducted for analysts and institutional investors following the release of results via SGXNet. Presentations are made to explain the Group's business strategy, financial performance and significant developments, and all presentation materials used at analysts' and institutional investors' briefings are made available to shareholders on SGXNet. In the event of any inadvertent selective disclosure to a specific group, the Company will promptly make the same information publicly available through SGXNet.

The Board welcomes feedback and views from shareholders on matters affecting the Group, whether at shareholders' meetings or on an ad-hoc basis. While the Company does not have a dedicated investor relations department, the investor relations function is overseen by the Executive Chairman/Director and the Chief Financial Officer. In addition to communicating directly with members of the Board and Key Management Personnel at general meetings, shareholders may contact the Company on investor relations matters via corpcomm@parkson.com.my. The Company endeavours to respond to such enquiries within three (3) to five (5) working days.

The Company's website at www.parkson.com.sg also serves as an additional communication channel through which shareholders may obtain information and convey their views.

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 engages regularly 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. In accordance with 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, organisational and external developments.

The sustainability report provides further details on the Group's material ESG factors and outlines the key areas focus relating to stakeholder engagement and relationship management during the reporting period. The SR Policy is posted on the Company's website at <http://www.parkson.com.sg/investor-relations/sustainability-reports/>.

CORPORATE GOVERNANCE REPORT

Dissemination of material information and Corporate website

The Company is committed to timely and transparent disclosure. All material information, including financial results announcements, is disclosed to the public via SGXNet in a timely manner, in compliance with the Listing Manual. The Company does not practise selective disclosure. In the event of any inadvertent disclosure of material information to a select group, the same information will be promptly disclosed to the public through SGXNet.

Announcements relating to the Company's financial results and past Annual Reports are available on the Company's corporate website at www.parkson.com.sg. The website is updated regularly and contains information on the Group and the Company, serving as an important information resource for shareholders and other 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 Manual.

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 FY2025. The aggregate value of the material IPTs between the Group and the interested persons for FY2025 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) S\$'000	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$'000
Lion Corporation Berhad ⁽¹⁾	Associate of Tan Sri Cheng Heng Jem, a director and controlling shareholder of the Company (" Tan Sri Cheng ")	-	3,368
Parkson Holdings Berhad Group ⁽²⁾	Associate of Tan Sri Cheng	116 ^{(i)*}	3,235 ⁽ⁱⁱ⁾
Lion Posim Berhad ⁽³⁾	Associate of Tan Sri Cheng	-	355
Visionwell Sdn Bhd ⁽⁴⁾	Associate of Tan Sri Cheng	-	232

Notes:

- (1) (a) Marketing fee payable for bonus points issued and amount received/receivable for point redemption made by cardholders totalling S\$3.145 million; and
 (b) Purchase of goods and security equipment, and procurement of security service totalling S\$0.223 million;
- (2) (i) Royalty expense totalling S\$0.116 million.
 (ii) (a) Management fee income totalling S\$0.510 million; and
 (b) Net purchase of merchandise, concessionaire sales and sale of gift vouchers totalling S\$2.725 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 2025

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 2025.

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 2025 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 2025

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 1.1.2025	As at 31.12.2025	As at 1.1.2025	As at 31.12.2025
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 2026.

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 2025

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: 31 March 2026

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 2025, 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 2025 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"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also 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.

(1) Impairment assessment of the Group's property, plant and equipment and right-of-use assets

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 SGD20,037,000 and SGD111,696,000, representing 14% and 77% respectively of total non-current assets of the Group as at 31 December 2025. The Group's property, plant and equipment and right-of-use assets as at 31 December 2025 are mainly held by a subsidiary, Parkson Corporation Sdn Bhd ("PCSB"), which operates in Malaysia.

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 on respective assets of those stores. 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARKSON RETAIL ASIA LIMITED

Key Audit Matters (Cont'd)

(1) Impairment assessment of the Group's property, plant and equipment and right-of-use assets (Cont'd)

Management has recognised a net reversal of impairment loss on property, plant and equipment of SGD45,000 and net impairment loss on right-of-use assets of SGD685,000 respectively for the current financial year.

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 amount 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.

The disclosure information for the Group's property, plant and equipment and right-of-use assets are included in Note 4 and Note 19 to the financial statements respectively.

How the matter was addressed in the audit

We assessed the appropriateness of the management's identification of CGU which is the individual department stores.

Where impairment or reversal of impairment indicators of assets related to the individual department stores were identified, we evaluated the reasonableness of management's key assumptions underlying the value-in-use computation such as budgeted gross margin, revenue growth rates, discount rate and cost of debt (pre-tax); 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; and 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 assessed and evaluated whether the management's expert has the necessary competence, capability and objectivity for the required purposes. We also assessed the competency, capability and objectivity of the auditor's expert.

We performed sensitivity analysis over the assumptions, estimates and its measurement against source data and appropriate external sources, where appropriate.

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 also considered the adequacy of the disclosure information made in the financial statements in relation to the impairment or reversal of impairment losses of the Group's 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)

(2) Impairment assessment of the Company's investments in subsidiaries

As at 31 December 2025, the Company has significant investment of SGD122,182,000 in a subsidiary, PCSB which operates department stores in Malaysia.

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 2025.

Management's impairment assessment involves estimation and judgement relating to the assumptions used in profit forecast and discounted cashflows. 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. Therefore, we have identified this impairment assessment as a Key Audit Matter.

No impairment loss has been provided for the financial year ended 31 December 2025.

The disclosure information on the Company's investments in subsidiaries are included in Note 5 to the financial statements.

How the matter was addressed in the audit

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 also considered the adequacy of the disclosure information made in the financial statements in relation to the impairment assessment of the Company's investments in subsidiaries.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARKSON RETAIL ASIA LIMITED

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.
- 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARKSON RETAIL ASIA LIMITED

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

- 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.

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 Ling Guo Leng.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 31 March 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	The Group		The Company	
		31 December	31 December	31 December	31 December
		2025	2024	2025	2024
		SGD'000	SGD'000	SGD'000	SGD'000
ASSETS					
Non-Current					
Property, plant and equipment	4	20,037	20,813	-	-
Right-of-use assets	19	111,696	128,567	-	-
Investments in subsidiaries	5	-	-	122,182	117,580
Deferred tax assets	6	8,268	6,789	-	-
Other receivables	7	3,888	4,889	-	-
Intangible assets	9	60	58	-	-
Investment securities	10	272	262	-	-
		144,221	161,378	122,182	117,580
Current					
Inventories	11	26,895	29,460	-	-
Trade and other receivables	7	9,353	8,197	-	4,165
Prepayments	8	892	457	-	-
Tax recoverable		114	50	-	-
Cash and short-term deposits	12	120,118	124,897	778	22
		157,372	163,061	778	4,187
Total assets		301,593	324,439	122,960	121,767

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 2025

	Note	The Group		The Company	
		31 December	31 December	31 December	31 December
		2025	2024	2025	2024
		SGD'000	SGD'000	SGD'000	SGD'000
EQUITY					
Capital and Reserves					
Share capital	13(a)	231,676	231,676	231,676	231,676
Treasury shares	13(b)	(549)	(549)	(549)	(549)
Other reserves	14	(156,024)	(156,716)	(51,247)	(54,742)
Accumulated losses		(41,747)	(35,673)	(76,797)	(77,384)
Equity attributable to equity holders of the Company		33,356	38,738	103,083	99,001
Non-controlling interests		141	(101)	-	-
Total equity		33,497	38,637	103,083	99,001
LIABILITIES					
Non-Current					
Other payables	15	305	348	-	-
Provisions	17	5,243	5,613	-	-
Lease liabilities	19	101,055	115,902	-	-
		106,603	121,863	-	-
Current					
Trade and other payables	15	100,253	102,647	19,748	22,519
Other liabilities	16(a)	14,365	14,367	129	247
Contract liabilities	16(b)	6,360	6,439	-	-
Provisions	17	2,106	1,691	-	-
Tax payables		2,037	872	-	-
Loans and borrowings	18	1,978	1,854	-	-
Lease liabilities	19	34,394	36,069	-	-
		161,493	163,939	19,877	22,766
Total liabilities		268,096	285,802	19,877	22,766
Total equity and liabilities		301,593	324,439	122,960	121,767

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 2025

		The Group	
		Year ended 31 December 2025	Year ended 31 December 2024
	Note	SGD'000	SGD'000
Revenue	20	208,312	214,812
Other items of income			
Finance income	21(a)	3,766	3,784
Other income	21(b)	5,388	5,497
Items of expense			
Merchandise inventories and consumables used	11	(62,645)	(62,007)
Changes in merchandise inventories and consumables	11	(2,565)	(6,337)
Employee benefits expense	22	(39,441)	(37,346)
Depreciation and amortisation expenses	23	(45,098)	(44,021)
Promotional and advertising expenses		(1,320)	(1,340)
Operating lease expenses	23	(5,959)	(5,208)
Finance costs	21(a)	(10,927)	(11,882)
Other expenses		(20,957)	(20,507)
Profit before tax	23	28,554	35,445
Income tax	24	(7,494)	(11,327)
Profit for the year, net of tax		21,060	24,118
Profit/(loss) attributable to:			
Owners of the Company		20,878	24,123
Non-controlling interests		182	(5)
		21,060	24,118
Earnings per share (cents per share)			
- Basic and diluted	25	3.10	3.58

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 2025

		The Group	
		Year ended 31 December 2025	Year ended 31 December 2024
	Note	SGD'000	SGD'000
Profit for the year		21,060	24,118
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		3,549	3,874
Realisation of foreign currency translation reserve - reclassified to profit or loss	5(c)	(2,797)	-
Total comprehensive income for the year		21,812	27,992
Attributable to:			
Owners of the Company		21,570	28,002
Non-controlling interests		242	(10)
		21,812	27,992

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 2025

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 2024	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
Profit for the year	-	-	-	20,878	20,878	182	21,060
Other comprehensive income							
Foreign currency translation	-	-	692	-	692	60	752
Total comprehensive income for the year	-	-	692	20,878	21,570	242	21,812
Transaction with owners							
Dividends paid, recognised directly in equity (Note 26)	-	-	-	(26,952)	(26,952)	-	(26,952)
Balance as at 31 December 2025	231,676	(549)	(156,024)	(41,747)	33,356	141	33,497

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 2025

	Note	The Group	
		Year ended 31 December 2025 SGD'000	Year ended 31 December 2024 SGD'000
Cash Flows from Operating Activities			
Profit before tax		28,554	35,445
Adjustments for:			
Depreciation and amortisation expenses:			
- property, plant and equipment	4	6,067	6,515
- right-of-use assets	19(a)	39,031	37,506
(Reversal of impairment loss)/impairment losses, net:			
- property, plant and equipment	4	(45)	(251)
- right-of-use assets	19(a)	685	(870)
Property, plant and equipment written off	4, 23	246	29
Loss/(gain) on disposal of property, plant and equipment, net	4, 23	24	(14)
Gain on deconsolidation of subsidiaries	5, 23	(685)	-
Reversal for expected credit loss on trade and other receivables, net	23	(8)	(19)
Allowance for inventory shrinkage	11	91	96
Provision for/(write back of) stock obsolescence	11	190	(528)
Income from expired vouchers	16(b), 21(b)	(382)	(316)
Income from rent concession on lease liabilities	19(b)	(68)	(243)
Gain on lease derecognition	23	(536)	-
Gain on lease modification	21(b), 23	(256)	-
Finance costs	21(a)	10,927	11,882
Finance income	21(a)	(3,766)	(3,784)
Operating profit before working capital changes		80,069	85,448
Decrease/(increase) in inventories		3,301	(4,276)
(Increase)/decrease in trade and other receivables		(881)	1,492
(Increase)/decrease in prepayments		(402)	982
(Decrease)/increase in trade and other payables		(5,538)	1,086
Increase in other liabilities and provisions		317	2,971
Cash generated from operations		76,866	87,703
Interest received		3,606	3,573
Interest paid		(122)	(70)
Income taxes paid		(7,637)	(13,388)
Net cash generated from operating activities		72,713	77,818

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 2025

	Note	The Group	
		Year ended 31 December 2025 SGD'000	Year ended 31 December 2024 SGD'000
Cash Flows from Investing Activities			
Proceeds from disposal of property, plant and equipment		23	25
Purchase of property, plant and equipment	B	(5,395)	(8,760)
Proceeds from net investments in sublease		394	215
Net cash used in investing activities		(4,978)	(8,520)
Cash Flows from Financing Activities			
Dividends paid on ordinary shares	26	(26,952)	-
Interest paid		(10,566)	(11,609)
Proceeds from bank borrowings	C	4,142	3,356
Repayment of bank borrowings	C	(4,031)	(3,349)
Repayment to related companies		(641)	(8,057)
Payment of principal portion of lease liabilities		(39,319)	(34,334)
Decrease in bank overdraft		58	152
(Increase)/decrease in pledged deposits	C	(128)	68
Net cash used in financing activities		(77,437)	(53,773)
Net (decrease)/increase in cash and cash equivalents		(9,702)	15,525
Cash and cash equivalents as at beginning of year		115,059	92,585
Exchange differences on translation of cash and cash equivalents as at beginning of year		4,466	6,949
Cash and cash equivalents as at end of year	A	109,823	115,059

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 2025

Note:

A. Cash and cash equivalents

		The Group	
		31 December 2025	31 December 2024
	Note	SGD'000	SGD'000
Cash and short-term deposits	12	120,118	124,897
Bank overdraft	18	-	(58)
		120,118	124,839
Less:			
- Pledged deposits	12	(10,295)	(9,780)
Cash and cash equivalents in the consolidated statement of cash flows		109,823	115,059

B. Property, plant and equipment

		The Group	
		Year ended 31 December 2025	Year ended 31 December 2024
	Note	SGD'000	SGD'000
Current year additions to property, plant and equipment	4	5,410	8,890
Less:			
- Provision for restoration costs	17	(15)	(130)
Net cash outflow for purchase of property, plant and equipment		5,395	8,760

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 2025

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 2025	Cash flows SGD'000	Non-cash changes			31 December 2025
			Additions SGD'000	Exchange movement SGD'000	Others SGD'000	
The Group	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Bankers' acceptance (Note 18)	1,796	111	-	71	-	1,978
Non-trade amount owing to: (Note 15)						
- related companies	2,732	(616)	2,960	587	-	5,663
- ultimate holding company	25	(25)	17	-	-	17
Lease liabilities (Note 19(b))	151,971	(49,885)	2,334	4,444	26,585	135,449
Pledged deposits (Note 12)	(9,780)	(128)	-	(387)	-	(10,295)
	146,744	(50,543)	5,311	4,715	26,585	132,812

	1 January 2024	Cash flows SGD'000	Non-cash changes			31 December 2024
			Additions SGD'000	Exchange movement SGD'000	Others SGD'000	
The Group	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000	SGD'000
Bankers' acceptance (Note 18)	1,685	7	-	104	-	1,796
Non-trade amount owing to: (Note 15)						
- related companies	9,498	(8,057)	-	1,291	-	2,732
- ultimate holding company	22	-	-	3	-	25
Lease liabilities (Note 19(b))	150,217	(45,943)	5,317	7,750	34,630	151,971
Pledged deposits (Note 12)	(9,280)	68	-	(568)	-	(9,780)
	152,142	(53,925)	5,317	8,580	34,630	146,744

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 2025

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 are disclosed in Note 5 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 2025 and statement of financial position of the Company as at 31 December 2025 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 SGD4,121,000 (2024 - SGD878,000) as at 31 December 2025. 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 SGD76,866,000 (2024 - SGD87,703,000) for the financial year ended 31 December 2025 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 SGD1,824,000 (RM5,757,000) (2024 - SGD1,937,000 (RM6,353,000)) as of the reporting date that is available for use;
- (c) the Group has unutilised loan facility of approximately SGD9,500,000 (RM30,000,000) ((2024 - SGD9,146,000 (RM30,000,000)) with the ultimate holding company, Parkson Holdings Berhad as of the reporting date available for use;
- (d) the Group has cash and short term deposits of SGD120,118,000 (2024 - SGD124,897,000) 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 considers 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 2025

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

The Company

As at 31 December 2025, the Company's current liabilities exceeded the Company's current assets by SGD19,099,000 (2024 - SGD18,579,000).

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

- non-trade amount due to a subsidiary, Parkson Corporation Sdn Bhd, totalling SGD18,922,000 (2024 - SGD21,708,000); and
- non-trade amounts due to other related companies totalling SGD589,000 (2024 - SGD566,000).

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 2025

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 and tax payable as at the reporting date were SGD114,000 (2024 - SGD50,000) and SGD 2,037,000 (2024 - SGD872,000) respectively.

The carrying amounts of the Group's deferred tax assets as at the reporting date were SGD8,268,000 (2024 - SGD6,789,000) are disclosed in Note 6 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 19(f) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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 the reporting date was SGD20,037,000 (2024 - SGD20,813,000). 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% (2024 - 10%) from management's estimates, the carrying amount of the property, plant and equipment of the Group will be approximately SGD552,000 (2024 - SGD592,000) higher or SGD674,000 (2024 - SGD724,000) 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% (2024 - 1%) in the sales growth, or an increase of 1% (2024 - 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 19(a) to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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 the reporting date, the Group has made provisions for the restoration work amounted to SGD7,349,000 (2024 - SGD7,304,000) (Note 17). 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% (2024 - 10%), the provision will increase/decrease by approximately SGD735,000 (2024 - SGD730,000).

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% (2024 - 1%) in the estimated IBR will decrease/increase the Group's right-of-use assets and lease liabilities by approximately SGD169,000 and SGD231,000 (2024 - SGD656,000 and SGD873,000) 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 2025

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% (2024 - 5%) from management estimates, the carrying amounts of the financial assets of the Group will decrease/increase by approximately SGD194,000 (2024 - SGD205,000) respectively.

The carrying amount of financial assets carried at amortised cost is disclosed in Note 7 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 the reporting date 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 7. A decrease of 10% in the estimated future cash inflows will lead to further allowance for ECL of SGDnil (2024 - SGD219,000).

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% (2024 - 5%) from management's estimates, the Group's profit before tax will increase/decrease by SGD1,345,000 (2024 - SGD1,473,000).

The carrying amount of the inventories is disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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% (2024 - 1%), or an increase of 1% (2024 - 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 2025, 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) 1-21, SFRS(I) 1	<i>Lack of Exchangeability</i>	1 January 2025

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 2025

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	Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
<u>Amendments to:</u>		
SFRS(I) 9, SFRS(I) 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
SFRS(I) 9, SFRS(I) 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Various	Annual Improvements to SFRS(I)s - Volume 11	1 January 2026
SFRS(I) 1-21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
SFRS(I) 10, SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint venture	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, except as disclosed below:

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

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 2025

3 Material accounting policy information (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 Material accounting policy information (Cont'd)

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

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 30 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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 2024	78,221	48,284	550	127,055
Additions	6,207	2,575	108	8,890
Disposals	-	(25)	(43)	(68)
Reclassification	(221)	221	-	-
Reversal of provisions of restorations costs	(23)	-	-	(23)
Written off	(2,994)	(2,066)	-	(5,060)
Exchange differences	4,343	3,152	34	7,529
At 31 December 2024	85,533	52,141	649	138,323
Additions	3,703	1,707	-	5,410
Disposals	(2)	(152)	-	(154)
Reclassification	(45)	45	-	-
Reversal of provisions of restorations costs	(468)	-	-	(468)
Written off	(1,447)	(1,889)	-	(3,804)
Exchange differences	2,618	1,967	24	4,609
At 31 December 2025	89,892	53,819	673	144,384
Accumulated depreciation				
At 1 January 2024	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
Depreciation for the year	4,208	1,820	39	6,067
Disposals	(2)	(105)	-	(107)
Reversal of provisions of restorations costs	(22)	-	-	(22)
Written off	(1,262)	(1,828)	-	(3,090)
Exchange differences	2,336	1,800	19	4,155
At 31 December 2025	64,409	51,717	590	116,716
Accumulated impairment loss				
At 1 January 2024	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
Impairment loss	194	46	-	240
Reversal of impairment loss	(255)	(30)	-	(285)
Exchange differences	(135)	14	-	(121)
At 31 December 2025	6,524	1,096	11	7,631
Net book value				
At 31 December 2025	18,959	1,006	72	20,037
At 31 December 2024	19,662	1,045	106	20,813

Included in the net book value of renovation of SGD18,959,000 (2024 - SGD19,662,000) as at the reporting date is construction work-in-progress ("CWIP") of SGD43,000 (2024 - SGD118,000) which relates to a subsidiary, Parkson Corporation Sdn Bhd. There were no CWIP disposals during the financial years ended 31 December 2025 and 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4 Property, plant and equipment (Cont'd)

(a) Restoration costs

Included in the additions to cost of renovation of SGD3,703,000 (2024 - SGD6,207,000) is provision for restoration costs totalling SGD15,000 (2024 - SGD130,000) which has been made during the financial year ended 31 December 2025. The movements in provision for restoration costs are disclosed in Note 17 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 8.5% (2024 - 10.2%).

As a result of the assessment, the Group recorded impairment charges of SGD240,000 (2024 - SGD79,000) in respect of property, plant and equipment of its underperforming stores in the financial year ended 31 December 2025.

In the financial year ended 31 December 2025, the Group reversed impairment losses of SGD285,000 (2024 - SGD330,000) 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 2025	31 December 2024
	SGD'000	SGD'000
The Company		
Unquoted equity instruments, at cost	163,702	163,702
Less: Impairment losses at beginning and end of year	(8,361)	(8,361)
Exchange difference	(33,159)	(37,761)
	122,182	117,580

The amount of SGD122,182,000 (2024 - SGD117,580,000) as at the reporting date relates to investment in a subsidiary, Parkson Corporation Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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>
		2025 %	2024 %	
<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 ^(c)	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 ^(f)	Malaysia	-	100	Dormant
Parkson Trading (Vietnam) Co Ltd ^{(d)(e)}	Vietnam	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5 Investments in subsidiaries (Cont'd)

Name	Country of incorporation/ principal place of business	Proportion of ownership interest and voting rights held by the Group		Principal activities
		2025 %	2024 %	
Held by Parkson Cambodia Holdings Co Ltd				
Parkson (Cambodia) Co Ltd ^(d)	Cambodia	100	100	Dormant
Held by Parkson Myanmar Co Pte Ltd				
Parkson Myanmar Investment Company Pte Ltd ^(a)	Singapore	70	70	Investment holding
Held by Parkson Myanmar Investment Company Pte Ltd				
Myanmar Parkson Company Limited ^(g)	Myanmar	-	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 off from the register during the financial year ended 31 December 2025 and has been dissolved on 26 February 2026

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

(e) In the process of application for dissolution

(f) Struck off from the register on 16 July 2025

(g) Liquidated on 27 June 2025

(*) 5% (2024 - 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

For the purpose of assessing impairment, each subsidiary is identified as a CGU for impairment assessment.

During the financial years ended 31 December 2025 and 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 2025 and 2024.

The pre-tax discount rate applied to the cash flow projections is 8.5% (2024 - 10.2%).

(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 2025

5 Investments in subsidiaries (Cont'd)

(c) Loss of control of subsidiaries

On 27 June 2025, the Group has completed the voluntary liquidation of Myanmar Parkson Company Limited.

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

	27 June 2025 SGD'000
Amount due from related company	45
Cash and bank balances	469
Other payables	(131)
Other liabilities	(217)
Amount due from related company	(3,648)
Net liabilities derecognised	(3,482)
Gain on deconsolidation of subsidiaries (Note 23)	685
Realisation of foreign currency translation reserve	2,797
Cash consideration received	-

6 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 2025 SGD'000	31 December 2024 SGD'000
The Group		
Presented after appropriate offsetting as follows:		
Deferred tax assets	33,407	35,863
Deferred tax liabilities	(25,139)	(29,074)
	8,268	6,789

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6 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 2024	1,516	34,679	36,195	(714)	(29,958)	(30,672)	5,523
Recognised in profit or loss (Note 24(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
Recognised in profit or loss (Note 24(a))	637	(4,354)	(3,717)	368	4,518	4,886	1,169
Exchange translation difference	96	1,165	1,261	(4)	(947)	(951)	310
At 31 December 2025	2,567	30,840	33,407	(108)	(25,031)	(25,139)	8,268

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately SGD33,053,000 (2024 - SGD31,150,000) 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 SGD7,933,000 (2024 - SGD7,476,000) 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 SGD27,626,000 (2024 - SGD25,089,000) which will expire in 2026-2035 (2024 - 2025-2034).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

7 Trade and other receivables

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		SGD'000	SGD'000	SGD'000	SGD'000
Current:					
Trade receivables	(a)	1,104	879	-	-
Allowance for expected credit losses	(a)	(155)	(158)	-	-
		949	721	-	-
Credit card receivables	(b)	1,429	1,303	-	-
Sales tax receivables		1,029	1,109	-	-
Other receivables	(c)	3,357	2,836	134	129
Advance to suppliers		116	74	-	-
Rental deposits	(d)	1,387	576	-	-
Other deposits		954	1,407	-	-
Deferred lease expenses	(d)	13	14	-	-
Net investments in sublease	(e)	287	376	-	-
Amount due from ultimate holding company (non-trade)	(f)	38	-	-	-
Amount due from related companies (non-trade)	(f)	71	75	-	-
Amount due from subsidiaries (non-trade)	(f)	-	-	16,876	16,774
		8,681	7,770	17,010	16,903
Allowance for expected credit losses	(a)	(277)	(294)	(17,010)	(12,738)
		8,404	7,476	-	4,165
		9,353	8,197	-	4,165
Non-current:					
Rental deposits	(d)	7,008	7,599	-	-
Other deposits		99	85	-	-
Deferred lease expenses	(d)	48	93	-	-
Net investments in sublease	(e)	181	767	-	-
		7,336	8,544	-	-
Allowance for expected credit losses	(a)	(3,448)	(3,655)	-	-
		3,888	4,889	-	-
Total trade and other receivables (current and non-current)		13,241	13,086	-	4,165
Cash and short-term deposits (Note 12)		120,118	124,897	778	22
Sales tax receivables		(1,029)	(1,109)	-	-
Deferred lease expenses		(61)	(107)	-	-
Advances to suppliers		(116)	(74)	-	-
Total financial assets carried at amortised cost		132,153	136,693	778	4,187

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

7 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	Rental deposits SGD'000	Total SGD'000
At 1 January 2024	164	285	3,541	3,990
Charge for the year	(19)	-	-	(19)
Exchange differences	13	9	114	136
At 31 December 2024	158	294	3,655	4,107
Charge for the year	(8)	-	-	(8)
Exchange differences	5	(17)	(207)	(219)
At 31 December 2025	155	277	3,448	3,880

The Company	Other receivables SGD'000	Due from subsidiaries SGD'000	Total SGD'000
At 1 January 2024	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
Charge for the year	-	3,773	3,773
Exchange differences	5	494	499
At 31 December 2025	134	16,876	17,010

(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 2025

7 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 1 to 13 years (2024 - 1 to 14 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 34).

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 2025	31 December 2024
	SGD'000	SGD'000
The Group		
Undiscounted lease payments to be received:		
- Year 1	308	435
- Year 2	187	380
- Year 3	-	263
- Year 4	-	83
- Year 5	-	83
- Year 6 and onwards	-	178
Gross investment in leases	495	1,422
Less: Unearned finance income	(25)	(264)
Present value of lease payments receivables	470	1,158
Exchange difference	(2)	(15)
Net investments in sublease	468	1,143
Presented as:		
- Current	287	376
- Non-current	181	767
	468	1,143

Information about the Group's leasing activities are disclosed in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

7 Trade and other receivables (Cont'd)

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

The net investments in sublease have an average effective interest rate of approximately 6.2% (2024 - 3.7%) per annum.

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.

(f) Amounts due from ultimate holding company/related companies/subsidiaries

The non-trade amount due from subsidiaries of SGD16,876,000 (2024 - SGD16,774,000) 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 Corporation 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 SGD3,773,000 (2024 - SGD3,482,000) in profit or loss for the financial year ended 31 December 2025.

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

8 Prepayments

	31 December 2025	31 December 2024
	SGD'000	SGD'000
The Group		
Current:		
Prepaid rental	73	31
Others	819	426
	892	457

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9 Intangible assets

The Group	Club memberships SGD'000	Computer software SGD'000	Licensing fee SGD'000	Total SGD'000
Cost				
At 1 January 2024	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
Written off	-	(156)	-	(156)
Exchange differences	3	(12)	16	7
At 31 December 2025	80	-	416	496
Accumulated amortisation				
At 1 January 2024	-	683	338	1,021
Written off	-	(514)	(183)	(697)
Exchange differences	-	(1)	9	8
At 31 December 2024	-	168	164	332
Written off	-	(156)	-	(156)
Exchange differences	-	(12)	7	(5)
At 31 December 2025	-	-	171	171
Accumulated impairment loss				
At 1 January 2024	18	84	469	571
Written off	-	(84)	(247)	(331)
Exchange differences	1	-	14	15
At 31 December 2024	19	-	236	255
Written off	-	-	-	-
Exchange differences	1	-	9	10
At 31 December 2025	20	-	245	265
Net carrying amount				
At 31 December 2025	60	-	-	60
At 31 December 2024	58	-	-	58

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 2025

10 Investment securities

	31 December 2025	31 December 2024
	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	272	262

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.

11 Inventories

	31 December 2025	31 December 2024
	SGD'000	SGD'000
The Group		
Merchandise inventories, at net realisable value	26,895	29,460
	Year ended 31 December 2025	Year ended 31 December 2024
	SGD'000	SGD'000
The Group		
Inventories recognised as an expense in merchandise inventories and consumables used	65,210	68,344
Inclusive of the following charge/(credit):		
- Allowance for inventory shrinkage	91	96
- Provision for/(write back of) of stock obsolescence	190	(528)

12 Cash and short-term deposits

	The Group		The Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	SGD'000	SGD'000	SGD'000	SGD'000
Cash and bank balances	5,276	3,836	778	22
Short-term deposits placed with				
- licensed banks	59,084	30,207	-	-
- financial institutions	55,758	90,854	-	-
	114,842	121,061	-	-
Cash and short-term deposits	120,118	124,897	778	22

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12 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 (2024 - within twelve months). The weighted average effective interest rate of these short-term deposits for the Group as at 31 December 2025 was 3.2 % (2024 - 3.4 %) per annum.

As at 31 December 2025, short-term deposits of SGD10,295,000 (2024 - SGD9,780,000) are pledged to a bank for facilities granted to a subsidiary (Note 18).

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

	The Group		The Company	
	31 December 2025 SGD'000	31 December 2024 SGD'000	31 December 2025 SGD'000	31 December 2024 SGD'000
Malaysian Ringgit	119,753	123,983	768	4
Myanmar Kyat	28	37	-	-
Singapore Dollar	10	18	10	18
Vietnamese Dong	75	45	-	-
United States Dollar	252	814	-	-
	120,118	124,897	778	22

13(a) Share capital

	31 December 2025		31 December 2024	
	No. of ordinary shares '000	'000	SGD'000	SGD'000
The Group and The Company				
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.

13(b) Treasury shares

	31 December 2025		31 December 2024	
	No. of ordinary shares '000	'000	SGD'000	SGD'000
The Group and The Company				
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 2025

14 Other reserves

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		SGD'000	SGD'000	SGD'000	SGD'000
Foreign currency translation reserve	(a)	(38,541)	(39,233)	(51,247)	(54,742)
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)	-	-
		(156,024)	(156,716)	(51,247)	(54,742)

- (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 (2024 - 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.
- (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 2025

15 Trade and other payables

	Note	The Group		The Company	
		31 December 2025 SGD'000	31 December 2024 SGD'000	31 December 2025 SGD'000	31 December 2024 SGD'000
Current:					
Trade payables	(a)	91,601	94,999	-	-
Other payables	(b)	2,719	4,558	237	245
Sales tax payables		44	116	-	-
Rental deposits	(c)	200	206	-	-
Deferred lease income	(c)	9	11	-	-
Non-trade amounts due to:	(d)				
- ultimate holding company		17	25	-	-
- related companies		5,663	2,732	589	566
- a subsidiary		-	-	18,922	21,708
		100,253	102,647	19,748	22,519
Non-current:					
Rental deposits	(c)	298	336	-	-
Deferred lease income	(c)	7	12	-	-
		305	348	-	-
Total trade and other payables (current and non-current)		100,558	102,995	19,748	22,519
Add:					
Other liabilities	16(a)	14,365	14,367	129	247
Loans and borrowings	18	1,978	1,854	-	-
Lease liabilities	19(b)	135,449	151,971	-	-
Less:					
Sales tax payables		(44)	(116)	-	-
Deferred lease income		(16)	(23)	-	-
Total financial liabilities carried at amortised cost		252,290	271,048	19,877	22,766

(a) Trade payables

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

(b) Other payables

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15 Trade and other payables (Cont'd)

(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 (2024 - 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 31 December 2025, a wholly-owned subsidiary, Parkson Corporation Sdn Bhd declared an interim single tier tax dividend of SGD32,532,000 (RM106,600,000) (2024 - SGD9,583,000 (RM32,800,000)) to the Company. The amount due to PCSB to the extent of SGD3,754,000 (RM12,300,000) (2024 - SGD9,583,000 (RM32,800,000)) was settled against this dividend from PCSB.

During the financial year ended 2025, the Company recorded advances of SGD252,000 (RM826,000) (2024 - SGD7,684,000 (RM26,281,000)) owing to PCSB.

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

16(a) Other liabilities

	The Group		The Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	SGD'000	SGD'000	SGD'000	SGD'000
Accrued operating expenses	5,813	6,579	-	-
Accrued staff costs	4,822	5,247	-	-
Accrued interest on loans from ultimate holding company	129	247	129	247
Provision for settlement of claims	2,329	1,544	-	-
Others	1,272	750	-	-
	14,365	14,367	129	247

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 2025

16(b) Contract liabilities

	31 December	31 December
	2025	2024
The Group	SGD'000	SGD'000
Deferred revenue from:		
- Gift cards/vouchers sold	4,983	5,177
- Customer loyalty award	1,377	1,262
	6,360	6,439

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	31 December
	2025	2024
The Group	SGD'000	SGD'000
At beginning of year	5,177	5,029
Arising during the year	8,431	9,511
Recognised as revenue	(8,431)	(9,350)
Write back	(382)	(316)
Exchange differences	188	303
At end of year	4,983	5,177

Deferred revenue from customer loyalty award

	31 December	31 December
	2025	2024
The Group	SGD'000	SGD'000
At beginning of year	1,262	1,172
Additions, net	1,867	1,887
Recognised as revenue	(1,802)	(1,880)
Exchange differences	50	83
At end of year	1,377	1,262

NOTES TO THE FINANCIAL STATEMENTS

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17 Provisions

	31 December 2025	31 December 2024
The Group	SGD'000	SGD'000
Provisions for restoration costs		
- Current	2,106	1,691
- Non-current	5,243	5,613
Total provisions for restoration costs	7,349	7,304

	31 December 2025	31 December 2024
The Group	SGD'000	SGD'000
At beginning of year	7,304	6,581
Additions (Note 4(a))	15	130
Reversal against property, plant and equipment (Note 4)	(446)	(23)
Unwinding of discount (Note 21(a))	236	197
Written off	(38)	-
Exchange differences	278	419
At end of year	7,349	7,304

18 Loans and borrowings

	31 December 2025	31 December 2024
The Group	SGD'000	SGD'000
Current		
Bank overdraft	-	58
Bankers' acceptance	1,978	1,796
Total loans and borrowings	1,978	1,854

The bank overdraft and banking facilities are secured by short-term deposits of SGD10,295,000 (2024 - SGD9,780,000) (Note 12) 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 2025

18 Loans and borrowings (Cont'd)

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

The Group	31 December	31 December
	2025	2024
Bank overdraft	-	7.7%
Bankers' acceptance	4.2%	4.4%

As at 31 December 2025, the Group has unutilised banking facilities of approximately SGD1,824,000 (2024 - SGD1,937,000) and unutilised loan facility of approximately SGD9,500,000 (RM30,000,000) (2024 – SGD9,146,000 (RM30,000,000)) with the ultimate holding company that are available for use.

19 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 2025

19 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 2024	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
Additions	2,448	-	-	2,448
Derecognition	(1,704)	-	-	(1,704)
Written off	(3,384)	-	-	(3,384)
Lease modifications	17,308	-	-	17,308
Exchange differences	12,131	-	-	12,131
At 31 December 2025	408,287	2,649	-	410,936
Accumulated depreciation				
At 1 January 2024	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
Depreciation for the year	38,718	313	-	39,031
Derecognition	(1,064)	-	-	(1,064)
Lease modifications	(211)	-	-	(211)
Exchange differences	8,512	-	-	8,512
At 31 December 2025	292,947	2,649	-	295,596
Accumulated impairment loss				
At 1 January 2024	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
Impairment loss	887	-	-	887
Reversal of impairment loss	(202)	-	-	(202)
Written off	(3,384)	-	-	(3,384)
Exchange differences	101	-	-	101
At 31 December 2025	3,644	-	-	3,644
Net book value				
At 31 December 2025	111,696	-	-	111,696
At 31 December 2024	128,254	313	-	128,567

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19 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 SGD887,000 (2024 - SGD332,000) in respect of right-of-use assets of its underperforming stores.

In the financial year ended 31 December 2025, the Group reversed impairment losses of SGD202,000 (2024 - SGD1,202,000) 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 2025	31 December 2024
	SGD'000	SGD'000
The Group		
At beginning of year	151,971	150,217
Additions	2,334	5,317
Accretion of interest (Note 21(a))	10,566	11,609
Rent concession (Note 23)	(68)	(243)
Payments	(49,885)	(45,943)
Lease modifications	17,263	23,264
Lease derecognition	(1,176)	-
Exchange differences	4,444	7,750
At end of year	135,449	151,971
Current	34,394	36,069
Non-current	101,055	115,902
Total lease liabilities	135,449	151,971

The maturity analysis of lease liabilities is disclosed in Note 31.1 to the financial statements.

The weighted average incremental borrowing rate applied to measure the lease liabilities is 6.8% (2024 - 7.0%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19 Leases (Cont'd)

The Group as lessee (Cont'd)

(c) *Amounts recognised in consolidated profit or loss (Note 23)*

	Year ended 31 December 2025	Year ended 31 December 2024
	SGD'000	SGD'000
The Group		
Depreciation of right-of-use assets	39,031	37,506
Interest expense on lease liabilities (Note 21(a))	10,566	11,609
Variable lease payments	1,255	1,827
Short-term leases (Note 23)	4,693	3,577
Lease of low-value assets	25	20

(d) *Total cash outflows*

The Group had total cash outflows for leases of SGD55,858,000 (2024 - SGD51,367,000) during the financial year ended 31 December 2025.

(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 SGD1,255,000 (2024 - SGD1,827,000) during the financial year ended 31 December 2025.

(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 2025			
Extension options expected not to be exercised	46,447	71,923	118,370
As at 31 December 2024			
Extension options expected not to be exercised	33,603	68,461	102,064

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19 Leases (Cont'd)

The Group as lessee (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 SGD1,273,000 (2024 - SGD1,789,000) for the financial year ended 31 December 2025 is included within revenue (Note 20) 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 28(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 7(e)).

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

Finance income on the net investments in sublease of SGD50,000 (2024 - SGD34,000) for the financial year ended 31 December 2025 is recognised in consolidated profit or loss (Note 21(a)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20 Revenue

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.

	Year ended 31 December 2025	Year ended 31 December 2024
	SGD'000	SGD'000
The Group		
Sale of goods - direct sales	89,190	94,733
Commissions from concessionaire sales	114,539	115,105
Consultancy and management service fees	471	480
Revenue from food and beverage operations	2,839	2,705
Revenue from contracts with customers	207,039	213,023
Rental income	1,273	1,789
Total revenue	208,312	214,812

21(a) Finance income/costs

	Note	Year ended 31 December 2025	Year ended 31 December 2024
		SGD'000	SGD'000
The Group			
Finance income			
Interest income on net investments in sublease	19(i)	50	34
Interest income on short-term deposits		3,514	3,576
Discount adjustment on rental deposit receivables		202	174
		3,766	3,784
Finance costs			
Interest expense on lease liabilities	19	10,566	11,609
Interest expense on loans and borrowings		75	65
Discount adjustment on:			
- Rental deposit payables		50	11
- Provisions for restoration costs	17	236	197
		10,927	11,882

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21(b) Other income

	Note	Year ended 31 December 2025 SGD'000	Year ended 31 December 2024 SGD'000
The Group			
Cash discount from suppliers		570	599
Promotion income		65	72
Income recognised from expired vouchers	16(b)	382	316
Gain on disposal of property, plant and equipment		-	14
Portal usage/B2B income		424	408
Reversal of impairment loss of:			
- trade receivables	7(a)	8	19
- property, plant and equipment	4(c)	285	330
- right-of-use assets	19(a)	202	1,202
Reversal of allowance for slow moving stocks	11	-	528
Income from sublease		486	319
Commission income from third party		1,313	1,266
Gain on deconsolidation on subsidiary	5	685	-
Gain on lease modification	19(a), 19(b)	256	-
Other sundry income		712	424
		5,388	5,497

22 Employee benefits expense

		Year ended 31 December 2025 SGD'000	Year ended 31 December 2024 SGD'000
The Group			
Wages, salaries and bonuses		29,930	28,459
Contribution to defined contribution plans		3,666	3,434
Other staff related expenses		5,845	5,453
		39,441	37,346

Included in employee benefits expense of the Group are remuneration of directors, chief executive officer and key management personnel as further disclosed in Note 27(c) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

23 Profit before tax

	Note	Year ended 31 December 2025 SGD'000	Year ended 31 December 2024 SGD'000
The Group			
Profit before tax has been arrived at after charging/ (crediting):			
Audit fees:			
- Auditors of the Company		180	178
- Other auditors		107	105
Non-audit fees:			
- Auditors of the Company		5	5
Total audit and non-audit fees		292	288
Depreciation and amortisation expenses:			
- property, plant and equipment	4	6,067	6,515
- right-of-use assets	19(c)	39,031	37,506
		45,098	44,021
Operating lease expenses:			
- Variable lease payments	19(c)	1,255	1,827
- Short-term leases	19(c)	4,693	3,577
- Lease of low-value assets	19(c)	25	20
- Amortisation of deferred lease		54	27
Less: Rent concession	19(b)	(68)	(243)
		5,959	5,208
Reversal for expected credit loss on trade and other receivables, net	7(a)	(8)	(19)
Directors' fees	27(c)	187	186
Property, plant and equipment written off	4	246	29
Loss/(Gain) on disposal of property, plant and equipment		24	(14)
Gain on lease derecognition	19(a), 19(b)	(536)	-
Gain on lease modification	19(a), 19(b)	(256)	-
Net impairment losses/(reversal of impairment loss) (included in other expenses):			
- property, plant and equipment	4	(45)	(251)
- right-of-use assets	19(a)	685	(870)
Allowance for inventory shrinkage	11	91	96
Provision/(write back) of stock obsolescence	11	190	(528)
Gain on deconsolidation of subsidiaries	5	(685)	-
Utilities		6,725	6,703

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24 Taxation

(a) Major components of income tax expense

The major components of income tax expense are as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	SGD'000	SGD'000
The Group		
Current income tax		
- Current year	8,343	10,270
- Under provision in respect of previous years	320	1,943
	8,663	12,213
Deferred income tax (Note 6)		
- Origination and reversal of temporary differences	(14)	(755)
- Over provision in respect of previous years	(1,155)	(131)
	(1,169)	(886)
Income tax expense recognised in profit or loss	7,494	11,327

(b) Relationship between income tax expense and profit 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 2025 and 31 December 2024 is as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	SGD'000	SGD'000
The Group		
Profit before taxation	28,554	35,445
Tax at the domestic tax rates applicable to the countries where the Group operates	6,905	8,588
Tax effect on non-deductible expenses ⁽¹⁾	1,334	2,237
Income not subject to taxation ⁽²⁾	(367)	(1,298)
Deferred tax assets not recognised*	788	103
Utilisation of previously unrecognised tax losses	(331)	(115)
Under/(over) provision in respect of previous years:		
- current taxation	320	1,943
- deferred taxation	(1,155)	(131)
Income tax expense recognised in profit or loss	7,494	11,327

* 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 taxation relates mainly to non-taxable income occurred in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24 Taxation (Cont'd)

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

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 2025	Year ended 31 December 2024
	%	%
The Group		
Malaysia	24	24
Vietnam	20	20
Singapore	17	17

25 Earnings per share

Basic earnings per share are calculated by dividing the net profit, 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 per share for the financial years ended 31 December 2025 and 31 December 2024:

The Group	2025	2024
Profit for the year attributable to owners of the Company for basic earnings per share computation (SGD'000)	20,878	24,123
Weighted average number of ordinary shares for basic earnings per share computation ('000)	673,800	673,800
Basic earnings per share (cents)	3.10	3.58

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 2025 and 31 December 2024 are the same.

26 Dividend paid

	Year ended 31 December 2025	Year ended 31 December 2024
	SGD'000	SGD'000
The Group and the Company		
Interim exempt (one-tier) dividend for 2025: SGD0.04 per ordinary share	26,952	-

NOTES TO THE FINANCIAL STATEMENTS

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27 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 2025 SGD'000	Year ended 31 December 2024 SGD'000
The Group		
Sale of vouchers to related companies:		
- Posim Petroleum Marketing Sdn Bhd	65	50
- Lion Group Management Services Sdn Bhd	15	-
	80	50
Sale of goods and services to subsidiary of the ultimate holding company:		
- Parkson Branding Sdn Bhd	66	118
Purchase of goods and services from related companies:		
- Secom (Malaysia) Sdn Bhd	216	212
- Posim Marketing Sdn Bhd	207	198
- Brands Pro Management Sdn Bhd	82	94
	505	504
Purchase of goods and services from subsidiaries of the ultimate holding company:		
- Parkson Branding Sdn Bhd	2,403	2,657
- Parkson Credit Sdn Bhd	39	-
	2,442	2,657
Income from related company for bonus points redemption by cardholders:		
- Bonuskad Loyalty Sdn Bhd	1,610	1,630
Marketing fee expense to related company for bonus points issued:		
- Bonuskad Loyalty Sdn Bhd	1,535	1,570
Rental of office space expense to related company:		
- Visionwell Sdn Bhd	232	197
Royalty expense to subsidiary of the ultimate holding company:		
- Parkson Services Pte Ltd	116	106
Management fee income from subsidiary of the ultimate holding company:		
- Festival City Sdn Bhd	471	480

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27 Significant related party transactions (Cont'd)

(b) Loan from related companies

	Year ended 31 December 2025 SGD'000	Year ended 31 December 2024 SGD'000
The Group		
Repayment of advances to related companies:		
- Parkson Branding Sdn Bhd	641	2,883
- Prestasi Serimas Sdn Bhd	-	5,174
	Year ended 31 December 2025 SGD'000	Year ended 31 December 2024 SGD'000
The Company		
Advances from:		
- Parkson Corporation Sdn Bhd	252	7,684
Advances to:		
- Solid Gatelink Sdn Bhd	-	5,259
- Parkson Lifestyle Sdn Bhd	-	2,045
Dividends from:		
- Parkson Corporation Sdn Bhd (Note 15(d))	32,532	9,583

(c) Compensation of key management personnel

	Year ended 31 December 2025 SGD'000	Year ended 31 December 2024 SGD'000
The Group		
Directors' fees	187	186
Short-term employee benefits	645	551
Contribution to defined contribution plans	54	47
	886	784
Comprise:		
Directors of the Company	187	186
Other key management personnel	699	598
	886	784

No employee share options were granted to key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28 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 2025	31 December 2024
	SGD'000	SGD'000
The Group		
Capital commitments in respect of property, plant and equipment	464	87

(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 2 years (2024 - 3 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 2025	31 December 2024
	SGD'000	SGD'000
The Group		
Not later than one year	214	364
Later than one year and not later than five years	112	141
	326	505

29 Contingent liabilities

The Group

As at 31 December 2025, the Group has provided financial guarantees to financial institutions for credit facilities totalling SGD2,756,000 (2024 - SGD3,354,000) granted to subsidiaries for which the Group is exposed to liabilities which are capped at SGD1,978,000 (2024 - SGD1,880,000). As at the reporting date, the banking facilities utilised stood at SGD1,978,000 (2024 - SGD1,880,000). 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 2025, the Company has not provided any financial guarantee to a financial institution for credit facilities (2024 - has provided a financial guarantee to a financial institution for credit facilities totalling SGD610,000 granted to subsidiaries for which the Company is exposed to liabilities which are capped at SGD26,000). There are no corporate guarantees provided by the Company as at 31 December 2025 and 31 December 2024.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30 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) Others – Vietnam, Myanmar and Cambodia

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.

2025	Note	Retail stores		Food and beverage operations	Adjustments and eliminations	Total
		Malaysia SGD'000	Others SGD'000	Malaysia SGD'000	SGD'000	
Revenue:						
Sales to external customers		205,473	-	2,839	-	208,312
Segment results:						
Depreciation and amortisation expenses:						
- Property, plant and equipment		(6,059)	-	(8)	-	(6,067)
- Right-of-use assets		(38,785)	-	(246)	-	(39,031)
Reversal for expected credit loss on trade and other receivables		8	-	-	-	8
Net reversal of impairment loss / (impairment loss) on:						
- Property, plant and equipment		45	-	-	-	45
- Right-of-use assets		(685)	-	-	-	(685)
Operating lease expenses		(5,872)	(47)	(40)	-	(5,959)
Gain on lease derecognition		536	-	-	-	536
Gain on lease modification		256	-	-	-	256
Finance income		3,562	172	32	-	3,766
Finance costs		(10,892)	-	(35)	-	(10,927)
Income tax		(7,494)	-	-	-	(7,494)
Segment profit/(loss)	(a)	25,429	144	(647)	(3,866)	21,060
Other segment information						
Additions to non-current assets		7,814	-	44	-	7,858
Segment assets		288,226	2,048	1,130	778	292,182
Segment liabilities		258,353	3,325	3,372	965	266,015

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30 Segment information (Cont'd)

2024	Note	Retail stores		Food and beverage operations	Adjustments and eliminations	Total
		Malaysia SGD'000	Others SGD'000	Malaysia SGD'000	SGD'000	
The Group						
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 of impairment loss / (impairment loss) on:						
- Property, plant and equipment		251	-	-	-	251
- Right-of-use assets		956	-	(86)	-	870
Operating lease expenses		(5,184)	(16)	(8)	-	(5,208)
Finance income		3,777	1	6	-	3,784
Finance costs		(11,824)	-	(58)	-	(11,882)
Income tax		(11,327)	-	-	-	(11,327)
Segment profit/(loss)	(a)	30,019	(529)	(413)	(4,959)	24,118
Other segment information						
Additions to non-current assets		14,166	-	41	-	14,207
Segment assets		313,030	2,219	1,236	6	316,491
Segment liabilities		277,113	4,092	2,733	876	284,814

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30 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 statement of profit or loss:

	Year ended 31 December 2025 SGD'000	Year ended 31 December 2024 SGD'000
The Group		
Corporate expenses	(3,926)	(4,995)
Net loss from company previously in theme park and education centre operations	60	36
	(3,866)	(4,959)

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

	31 December 2025 SGD'000	31 December 2024 SGD'000
The Group		
Malaysia	131,793	149,438

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

(b) Reconciliation of reportable segment assets and liabilities

	31 December 2025 SGD'000	31 December 2024 SGD'000
The Group		
Assets		
Total reportable segment assets	292,182	316,491
Deferred tax assets	8,268	6,789
Sales tax receivables	1,029	1,109
Tax recoverable	114	50
Consolidated total assets	301,593	324,439
Liabilities		
Total reportable segment liabilities	266,015	284,814
Sales tax payables	44	116
Tax payables	2,037	872
Consolidated total liabilities	268,096	285,802

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31 Financial risk management

The Group and the Company are exposed to financial risks arising from their 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.

31.1 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 2025

31 Financial risk management (Cont'd)

31.1 Liquidity risk (Cont'd)

Unutilised credit facilities are disclosed in Note 18 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 2025				
Financial assets				
Trade and other receivables (excluding net investments in sublease)	7,908	3,659	-	11,567
Net investments in sublease	308	187	-	495
Investment securities	-	-	272	272
Cash and short-term deposits	120,118	-	-	120,118
Total undiscounted financial assets	128,334	3,846	272	132,452
Financial liabilities				
Trade and other payables	100,200	298	-	100,498
Other liabilities	14,365	-	-	14,365
Lease liabilities	43,385	100,210	20,716	164,311
Loans and borrowings	1,978	-	-	1,978
Total undiscounted financial liabilities	159,928	100,508	20,716	281,152
Total net undiscounted financial liabilities	(31,594)	(96,662)	(20,444)	(148,700)
Financial guarantees for subsidiaries	1,978	-	-	1,978

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31 Financial risk management (Cont'd)

31.1 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 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 2025

31 Financial risk management (Cont'd)

31.1 Liquidity risk (Cont'd)

	Less than 1 year SGD'000	Between 1 and 5 years SGD'000	Over 5 years SGD'000	Total SGD'000
The Company				
At 31 December 2025				
Financial assets				
Cash and short-term deposits	778	-	-	778
Total undiscounted financial assets	778	-	-	778
Financial liabilities				
Trade and other payables	19,748	-	-	19,748
Other liabilities	129	-	-	129
Total undiscounted financial liabilities	19,877	-	-	19,877
Total net undiscounted financial liabilities	(19,099)	-	-	(19,099)
Financial guarantee for subsidiaries	-	-	-	-
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

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 2025

31 Financial risk management (Cont'd)

31.2 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 7 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 (2024 - Nil) 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 2025

31 Financial risk management (Cont'd)

31.2 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 29 to the financial statements.

Credit risk concentration profile

The Group engages solely in the operation and management of department stores in Malaysia.

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 29) at the reporting date as if the facilities are drawn down up to the amount of SGD2,756,000 (2024 - SGD3,354,000).

31.3 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 2025

31 Financial risk management (Cont'd)

31.3 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
	2025	2024	2025	2024
	SGD'000	SGD'000	SGD'000	SGD'000
Financial assets				
Cash and cash equivalents	252	814	-	-
Currency exposures	252	814	-	-

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.

31.4 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 12 and 18 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	2 - 5	Over	Total
	1 year	years	5 years	
The Group	SGD'000	SGD'000	SGD'000	SGD'000
31 December 2025				
Floating rate				
Short-term deposits	114,842	-	-	114,842
Bank borrowings:				
- Bankers' acceptance	(1,978)	-	-	(1,978)
	112,864	-	-	112,864

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31 Financial risk management (Cont'd)

31.4 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 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

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 2025		Year ended 31 December 2024	
	Profit for the year SGD'000	Equity SGD'000	Profit for the year SGD'000	Equity SGD'000
Interest rate				
- decreased by 1% per annum	(858)	(858)	(906)	(906)
- increased by 1% per annum	858	858	906	906

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31 Financial risk management (Cont'd)

31.5 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.

32 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 2025

Assets

Financial assets - FVOCI	10	-	-	272	272
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At 31 December 2024

Assets

Financial assets - FVOCI	10	-	-	262	262
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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 2025

32 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 2025 and 31 December 2024.

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Fair value measurements at FVOCI

<u>Description</u>	<u>Valuation techniques</u>	<u>Unobservable inputs</u>	31 December 2025	31 December 2024
Unquoted equity securities	Dividend discount approach	Cost of equity Dividend yield	6.27% 20% - 30%	7.15% 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 2025	31 December 2024
	SGD'000	SGD'000
The Group		

Financial assets at FVOCI

Unquoted equity securities:

Balance at beginning of year	262	246
Exchange differences	10	16
Balance at end of year	272	262

(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 7), cash and short-term deposits (Note 12), current trade and other payables (Note 15), other liabilities (Note 16(a)) and loans and borrowings (Note 18) are a reasonable approximation of fair values due to their short term nature.

The carrying amounts of non-current rental deposits receivables (Note 7) and non-current rental deposits payables (Note 15) 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 2025

33 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 their 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 2025 and 31 December 2024.

In so far as to the Group's legal exposures as disclosed in Note 34 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.

34 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 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34 Status of litigations (Cont'd)

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.

Subsequently, on 26 May 2025, the High Court dismissed PKNS's claim against the Company in its entirety and awarded legal costs of SGD9,000 (RM30,000) in favor of the Company.

35 Comparative figures

Certain comparative figures in the consolidated statement of cash flows have been reclassified to conform to the current year's presentation.

SHAREHOLDING STATISTICS

AS AT 12 MARCH 2026

Number of issued and paid-up shares (excluding treasury shares)	:	673,800,000
Number/Percentage of treasury shares	:	3,500,000 / 0.52%
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One (1) vote per share

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1 - 99	1	0.11	5	0.00
100 - 1,000	71	7.70	42,787	0.01
1,001 - 10,000	198	21.47	1,162,917	0.17
10,001 - 1,000,000	618	67.03	70,259,016	10.43
1,000,001 and above	34	3.69	602,335,275	89.39
TOTAL	922	100.00	673,800,000	100.00

TWENTY LARGEST SHAREHOLDERS

NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
UOB KAY HIAN PTE LTD	459,470,300	68.19
CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD	35,347,467	5.25
RAFFLES NOMINEES (PTE) LIMITED	21,306,100	3.16
CHEN KAITONG	7,000,000	1.04
MAYBANK SECURITIES PTE. LTD.	6,540,500	0.97
PHILLIP SECURITIES PTE LTD	5,852,100	0.87
LIM CHIN HIAN	5,500,000	0.82
ABN AMRO CLEARING BANK N.V.	4,803,300	0.71
DBS NOMINEES PTE LTD	4,763,100	0.71
MOOMOO FINANCIAL SINGAPORE PTE. LTD.	4,546,808	0.67
TAN YONG NEE	4,251,600	0.63
LEE SWEE KENG	4,000,000	0.59
KHOO THOMAS CLIVE	3,420,000	0.51
SIM MONG CHUAN MERVYN (SHEN MAOQUAN)	2,935,000	0.44
HARDEEP SINGH	2,545,300	0.38
LEONG MUN SUM @ LEONG HENG WAN	2,458,700	0.36
PENG MEI FERN	2,217,200	0.33
NG CHUI YEN	2,000,000	0.30
OCBC SECURITIES PRIVATE LTD	1,845,300	0.27
IFAST FINANCIAL PTE LTD	1,821,100	0.27
TOTAL	582,623,875	86.47

SHAREHOLDING STATISTICS

AS AT 12 MARCH 2026

SUBSTANTIAL SHAREHOLDER

(As recorded in the Register of Substantial Shareholders as at 12 March 2026)

	Direct Interest		Deemed Interest	
	No. of Shares	%	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 12 March 2026, 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, Camellia, Level 2, 75 Airport Boulevard, Singapore 819664 on Friday, 24 April 2026 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 2025 together with the Directors' Statement and Auditor's Report. (Resolution 1)
2. To re-elect Datuk Koong Lin Loong who is retiring pursuant to Article 91 of the Constitution of the Company. (Resolution 2)
[see explanatory note (i)]
3. To re-elect Cheng Hui Yuen Vivien 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 2026, payable quarterly in arrears (31 December 2025: 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
 - (iii) 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 9 April 2026 (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

9 April 2026

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Datuk Koong Lin Loong (“**Datuk Koong**”) is considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. If re-elected, Datuk Koong will remain as Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee.
- (ii) Cheng Hui Yuen Vivien will, upon her re-election as Director, remain as Executive Director.
- (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, Camellia, Level 2, 75 Airport Boulevard, Singapore 819664 on Friday, 24 April 2026 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 14 April 2026**, 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 **22 April 2026 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 16 April 2026** 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 **19 April 2026**. 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 DIRECTORS 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	MS CHENG HUI YUEN VIVIEN	DATUK KOONG LIN LOONG
Date of Appointment	18 September 2015	02 January 2020
Date of last re-appointment (if applicable)	26 April 2024	28 April 2023
Age	37	61
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>Ms Cheng is the daughter of Tan Sri Cheng Heng Jem, the Executive Chairman who is a substantial shareholder of the Company through his direct and deemed interest in Parkson Holdings Berhad, the ultimate holding company of the Company. Ms Cheng has been mentored and guided by Tan Sri Cheng since she joined the Lion Group in 2012 after her graduation from the university. She has accumulated vast experience in business development, branding and merchandising.</p> <p>The Board has considered the recommendation of the NC and concluded that she has the relevant experience and skills to contribute positively to the diversity of the Board and the Company and recommended her re-election.</p>	<p>Datuk Koong is a tax professional and the Board opined that Datuk Koong’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 Director	Independent Director, Chairman of the Remuneration Committee, and a member of the Audit Committee and Nominating Committee
Professional qualifications	Bachelor of Engineering in Environmental Engineering from the University of Science and Technology Beijing, the People’s Republic of China.	Associate Member of the Chartered Institute of Management Accountants of United Kingdom (CIMA), Member of the Malaysian Institute of Accountants (MIA), Member of the Certified Practising Accountants Australia (CPA Australia), Fellow member of the Chartered Tax Institute of Malaysia (CTIM)

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	MS CHENG HUI YUEN VIVIEN	DATUK KOONG LIN LOONG
Working experience and occupation(s) during the past 10 years	<ol style="list-style-type: none"> 17 November 2025 – present: Group Director of the Lion Group 18 September 2015 – present: Executive Director of Parkson Retail Asia Limited. 2012 (upon graduation from university) – Present: General Manager of the Lion Group in-charge of the Business Development of Parkson Branding Division. 	<p>2009 – Present: Managing Partner of Reanda LLKG International</p> <p>2009 – Present: CEO of K-Konsult Taxation Sdn Bhd</p>
Shareholding interest in the listed issuer and its subsidiaries	Nil	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>Ms Cheng is the daughter of Tan Sri Cheng Heng Jem, the Executive Chairman of the Company, and a substantial shareholder 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"> M3C Global Sdn Bhd Ombrello Resources Sdn Bhd Park Avenue Fashion Sdn Bhd Parkson Fashion Sdn Bhd Parkson Trends Sdn Bhd Parkson Unlimited Beauty Sdn Bhd Solid Green Properties Sdn Bhd <p><u>Present</u></p> <ol style="list-style-type: none"> Ample Land Enterprises Limited Bumicorp Sdn Bhd Effiace (M) Sdn Bhd Finlink Holdings Sdn Bhd Gema Binari Sdn Bhd Highpoint Properties Sdn Bhd Kosmoxy Sdn Bhd Parkson Branding Sdn Bhd 	<p><u>Past</u></p> <ol style="list-style-type: none"> K-Contec Penta Consortium Sdn Bhd K-Konsult Taxation (JB) Sdn Bhd <p><u>Present</u></p> <ol style="list-style-type: none"> Lion Asiapac Limited Reanda LLKG International K-Konsult Taxation Sdn Bhd Parkson Retail Group Limited Reanda LLKG (Cambodia) Co. Ltd

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	MS CHENG HUI YUEN VIVIEN	DATUK KOONG LIN LOONG
	9. Parkson Corporation Sdn Bhd 10. Parkson Credit Sdn Bhd 11. Parkson Edutainment World Sdn Bhd 12. Parkson Lifestyle Sdn Bhd 13. Parkson Myanmar Co Pte Ltd 14. Parkson Myanmar Investment Company Pte Ltd 15. Parkson Private Label Sdn Bhd 16. Parkson SGN Co Ltd 17. Parkson TSN Holdings Co Ltd 18. Parkson Vietnam Co Ltd 19. Parkson Vietnam Investment Holdings Co Ltd 20. Parkson Vietnam Management Services Co Ltd 21. Persada Sepadu Sdn Bhd 22. Prestasi Serimas Sdn Bhd 23. Ributasi Holdings Sdn Bhd 24. Sea World Attraction Sdn Bhd 25. Secom (Malaysia) Sdn Bhd 26. Semangat Jelita Sdn Bhd 27. Solid Gatelink Sdn Bhd 28. Telaga Cahaya Sdn Bhd 29. Trillionvest Sdn Bhd 30. Vectro Capital Holdings Ltd 31. Viewtrain Company Limited 32. Visionwell Sdn Bhd 33. Zebvest Sdn Bhd	
Information Required		
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.		
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?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	MS CHENG HUI YUEN VIVIEN	DATUK KOONG LIN LOONG
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 DIRECTORS SEEKING RE-ELECTION

Name of Director	MS CHENG HUI YUEN VIVIEN	DATUK KOONG LIN LOONG
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 DIRECTORS SEEKING RE-ELECTION

Name of Director	MS CHENG HUI YUEN VIVIEN	DATUK KOONG LIN LOONG
<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 DIRECTORS SEEKING RE-ELECTION

Name of Director	MS CHENG HUI YUEN VIVIEN	DATUK KOONG LIN LOONG
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

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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 14 April 2026.
- 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 9 April 2026.

I/We, _____ (Name) _____ (NRIC No./Passport No./

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, Camellia, Level 2, 75 Airport Boulevard, Singapore 819664 on Friday, 24 April 2026 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 Abstain
1	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Directors' Statement and Auditor's Report			
2	To re-elect Datuk Koong Lin Loong as a Director			
3	To re-elect Cheng Hui Yuen Vivien as a Director			
4	To approve the payment of Directors' fees of up to S\$250,000 for the financial year ending 31 December 2026, 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 _____ 2026

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 22 April 2026 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 (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 14 April 2026**, 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