FINANCIAL STATEMENTS

2023

For The Financial Year Ended 31 December 2023

DIRECTORS' REPORT

The Directors hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

Principal activities

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally involved in the operation of department stores and related trading services, provision of money lending and credit services, provision of consultancy and management services, property management, operation of food and beverage businesses, intellectual property holding and investment holding.

The information on the name, country of incorporation/principal place of business, principal activities, and percentage of issued share capital held by the holding company in each subsidiary are set out in Note 15 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit/(loss) for the financial year:		
Continuing operations	43,796	27,635
Discontinued operations	(14,868)	-
	28,928	27,635
(Loss)/profit for the financial year attributable to:		
Owners of the parent	(19,186)	27,635
Non-controlling interests	48,114	-
	28,928	27,635

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than in respect of the Group, impairment losses on property, plant and equipment, right-of-use assets and intangible assets totalling RM102,088,000.

Dividend

No dividend has been declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any payment of dividend in respect of the current financial year.

Issues of shares and debentures

The Company did not issue any new shares or debentures during the financial year.

Directors

The Directors of the Company in office during the financial year and up to the date of this report are:

Tan Sri Cheng Heng Jem
Cheng Hui Yen, Natalie
Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat
Zainab binti Dato' Hj. Mohamed
Liew Jee Min @ Chong Jee Min
Ooi Kim Lai

The directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are:

Au Jin Ee	
Bernadette Chong Yin Wah	
Chai Woon Chew	
Chang Chae Young	
Cheng Hui Yen, Natalie	
Cheng Hui Yuen, Vivien	
Cheong Tuck Yee	
Chong Cheng Tong	
Chuah Say Chin	
Da Min	
Dato' Fu Ah Kiow	
Dato' Sri Dr. Hou Kok Chung	
Datuk Koong Lin Loong	
Gui Cheng Hock	
Haji Mohamad Khalid bin Abdullah	
Hu Da Zhi	
Huo Jian Ming	(Appointed on 23 February 2023)
Jin Chun Xu	
Juliana Cheng San San	
Khor Ching Wee	
Lee Wee Leng	(Appointed on 29 December 2023)
Lee Whay Keong	
Li Bing	
Loh Chai Hoon	

Directors (cont'd.)

The directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are: (cont'd.)

Ma Li	
Ng Ho Peng	
Norman Siu Yong Ching Jr	
Ooi Kim Lai	
Poh Wan Chung	
Pong Yuet Yee	
Pun Chi Tung, Melvyn	
Qiu Jian	
Sam Chong Keen	
Tan Boon Heng	
Tan Kim Kee	
Tan Sri Cheng Heng Jem	
Wang Wing Ying	
Xie Hua	
Xiu Jun	
Xu Jing Chao	
Yau Ming Kim, Robert	
Yeo Keng Leong	
Yin Zheng Min	
Yu KaiYan	
Zhang Ji Ning	(Appointed on 13 January 2023)
Zhang Jun	
Zhang Pei	
Zhang Zhi Jun	
Zhou Jia	
Au Chen Sum	(Resigned with effect from 23 February 2023)
Chong Sui Hiong	(Resigned with effect from 4 April 2023)
Lee Wee Leng	(Resigned with effect from 25 March 2024)
Li Cheng	(Ceased on 31 August 2023)
Low Kim Tuan	(Ceased on 31 August 2023)
Nie Ru Xuan	(Ceased on 31 August 2023)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, save and except for the benefit which deemed to have arisen by virtue of the balances and transactions between the Company and its related corporations, and certain corporations in which a Director of the Company has a substantial interest, in the ordinary course of business of the Group and of the Company.

Details of the remuneration paid to or receivable by the Directors of the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Executive Directors:		
Fees	361	75
Salaries and other emoluments, and pension costs	3,017	128
	3,378	203
Non-executive Directors:		
Fees	185	185
Other emoluments	41	41
	226	226
Total	3,604	429

Indemnity and insurance for Directors and Officers

The Directors and Officers of the Group and of the Company are covered under a Directors' and Officers' Liability Insurance up to an aggregate limit of US$20 million (equivalent to approximately RM91.91 million) against any legal liability, if incurred by the Directors and Officers of the Group and of the Company in the discharge of their duties while holding office for the Company and its subsidiaries.

Auditors' indemnity

To the extent permitted by law, the Company has agreed to indemnify its Auditors, Grant Thornton Malaysia PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been paid to indemnify Grant Thornton Malaysia PLT for the current financial year.

Directors' interests

According to the Register of Directors' Shareholdings, the interests of the Directors in office at the end of the financial year in shares in the Company during and at the end of the financial year are as follows:

	Number of ordinary shares			
	1.1.2023	**Acquired**	**Disposed**	**31.12.2023**
Tan Sri Cheng Heng Jem				
Direct interest	286,923,039	-	-	286,923,039
Deemed interest	339,994,089	-	-	339,994,089
Ooi Kim Lai				
Direct interest	197	-	-	197

The interests of the Directors in office at the end of the financial year in shares in the related corporations during and at the end of the financial year are as follows:

Direct Interest

	Number of ordinary shares			
	1.1.2023	**Acquired**	**Disposed**	**31.12.2023**
Parkson Retail Asia Limited ("PRA")				
Tan Sri Cheng Heng Jem	500,000	-	-	500,000
Cheng Hui Yen, Natalie	50,000	-	-	50,000

Tan Sri Cheng Heng Jem
Deemed Interest

	Number of ordinary shares			
	1.1.2023	**Acquired**	**Disposed**	**31.12.2023**
Parkson Myanmar Investment Company Pte Ltd	2,100,000	-	-	2,100,000
PRA	457,933,300	-	-	457,933,300

	Number of ordinary shares of HK$0.02 each			
	1.1.2023	**Acquired**	**Disposed**	**31.12.2023**
Parkson Retail Group Limited	1,448,270,000	-	-	1,448,270,000

Directors' interests (cont'd.)

The interests of the Directors in office at the end of the financial year in shares in the related corporations during and at the end of the financial year are as follows: (cont'd.)

Tan Sri Cheng Heng Jem
Deemed Interest

	Currency	1.1.2023	Acquired	Disposed	31.12.2023
Investments in the People's Republic of China					
Guizhou Shenqi Parkson Retail Development Co Ltd	Rmb	10,200,000	-	-	10,200,000
Lion Food & Beverage Ventures Limited	Rmb	3,640,000	-	-	3,640,000
Qingdao No. 1 Parkson Co Ltd	Rmb	223,796,394	-	-	223,796,394
Wuxi Sanyang Parkson Plaza Co Ltd	Rmb	48,000,000	-	-	48,000,000

Save as disclosed above, none of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during and at the end of the financial year.

Other statutory information

(a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

Other statutory information (cont'd.)

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading;

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and

(iv) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable, or is likely to become enforceable within the period of 12 months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

Auditors and auditors' remuneration

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The remuneration of the auditors of the Group and of the Company for the financial year ended 31 December 2023 amounted to RM4,099,000 and RM39,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 5 April 2024.

TAN SRI CHENG HENG JEM	**CHENG HUI YEN, NATALIE**
Chairman and Managing Director	Executive Director

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Cheng Heng Jem and Cheng Hui Yen, Natalie, being two of the Directors of Parkson Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 86 to 229 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2023 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 5 April 2024.

TAN SRI CHENG HENG JEM
Chairman and Managing Director

CHENG HUI YEN, NATALIE
Executive Director

Kuala Lumpur, Malaysia

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Tan Sri Cheng Heng Jem, the Director primarily responsible for the financial management of Parkson Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 86 to 229 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Tan Sri Cheng Heng Jem
at Kuala Lumpur in the Federal Territory
on 5 April 2024.

TAN SRI CHENG HENG JEM

Before me,

W729
MARDHIYYAH ABDUL WAHAB
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PARKSON HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Parkson Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 86 to 229.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By- Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit address the Key Audit Matters
Revenue recognition The Group relies on its information technology systems in the accounting for revenue from direct sales and commissions from concessionaire sales. Such information technology system processes large volumes of data which consists of individually low value transactions. The Group also recognised deferred revenue of RM13,584,000 as at 31 December 2023 in current liabilities in respect of customer loyalty programme. The quantum of deferred revenue recognised at each reporting period requires management's estimates in relation to the historical trends of redemption of customer loyalty points. The aforementioned factors gave rise to higher risk of material misstatements from the perspective of timing of recognition and the amount of revenue to be recognised. Accordingly, we identified revenue recognition to be an area of audit focus as the magnitude and the high volume of transactions may give rise to a higher risk of material misstatements relating to timing and the amount of revenue recognised. The disclosures for revenue and deferred revenue of the Group are included in Notes 4 and 31 respectively to the financial statements.	Our audit procedures included, amongst others: - involved our information technology specialists to test the operating effectiveness of the automated controls of the information technology systems; - tested the information technology dependent manual and manual controls in place to ensure the completeness and accuracy of revenue recognised; - performed procedures to corroborate the occurrence of revenue by tracing samples of cash receipts to the settlement reports from financial institutions; - tested the reconciliation of data between the Point of Sales system and the general ledger to corroborate the completeness of revenue; - assessed the accuracy of deferred revenue recognition using the historical rates of redemption of the customer loyalty points used by management; and - performed cut-off procedures to determine if revenue is recorded in the correct accounting period.

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

Key Audit Matters (cont'd.)

Key Audit Matters	How our audit address the Key Audit Matters
Impairment of property, plant and equipment and right-of-use assets The Group primarily operates retail stores as well as food and beverage stores in Malaysia and China. The Group recognised property, plant and equipment and right-of-use assets with carrying amounts of RM1,873,972,000 and RM1,829,110,000, representing 31% and 30% respectively of total non-current assets of the Group as at 31 December 2023. On an annual basis, management is required to assess for indications of impairment to determine if impairment assessment should be carried out. Having considered the loss-making performance of certain stores, management performed impairment testing with respective assets of those loss-making stores. The impairment testing requires management to make assumptions in the underlying cash flow forecast and projections. The assumptions include expectations for gross margin, growth rates and discount rates, as well as the overall market and economic conditions in the markets. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter. The disclosures for property, plant and equipment and right-of-use assets of the Group are included in Notes 11 and 13(a) respectively to the financial statements.	Our audit procedures included, amongst others: - obtained understanding of the Group's policies and procedures to identify indications of impairment of assets relating to loss-making stores; - held discussions with management and the auditors of the subsidiaries to obtain an understanding of assumptions used in the cash flow forecast and projections; - examined approved cash flow forecast and projections as well as historical trend analysis; - compared the key assumptions used in the impairment assessments to historical performance, external data reflecting current market conditions and our understanding of the business, in particular gross margin and growth rates used in determining the value in use at each cash-generating units ("CGU") level; - performed sensitivity analysis of the key assumptions and determined if the carrying amount of CGU materially exceeded the recoverable amount; - involved our internal specialists to assist us in evaluating the appropriateness of discount rates, methodologies and assumptions used in the cash flow forecast and projections; and

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

Key Audit Matters (cont'd.)

Key Audit Matters	How our audit address the Key Audit Matters
Impairment of property, plant and equipment and right-of-use assets (cont'd.)	Our audit procedures included, amongst others: (cont'd.) - assessed the adequacy of disclosures in relation to impairment assessment including those assumptions to which the outcome of the impairment test is most sensitive, that have the most significant effect on the determination of the recoverable amount of the assets.
Impairment of goodwill The Group has a balance of goodwill of RM1,119,159,000 representing 19% of total non-current assets of the Group as at 31 December 2023. On an annual basis, management is required to perform an impairment assessment of the CGUs to which the goodwill has been allocated. The impairment testing requires management to make assumptions in the underlying cash flow forecast and projections. The assumptions include expectations for gross margin, growth rates and discount rates, as well as the overall market and economic conditions in the markets. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter. The disclosures for goodwill of the Group are included in Note 14 to the financial statements.	Our audit procedures included, amongst others: - obtained understanding of the Group's policies and the relevant internal methodologies applied in determining the CGUs and the recoverable amounts; - held discussions with management and the auditors of the subsidiaries to obtain an understanding of assumptions used in the cash flow forecast and projections; - examined approved cash flow forecast and projections as well as historical trend analysis; - compared the key assumptions used in the impairment assessments to historical performance, external data reflecting current market conditions and our understanding of the business, in particular gross margin and growth rates used in determining the value in use at each CGU level; - performed sensitivity analysis of the key assumptions and determined if the carrying amount of CGU materially exceeded the recoverable amount;

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

Key Audit Matters (cont'd.)

Key Audit Matters	How our audit address the Key Audit Matters
Impairment of goodwill (cont'd.)	Our audit procedures included, amongst others: (cont'd.) - involved our internal specialists to assist us in evaluating the appropriateness of discount rates, methodologies and assumptions used in the cash flow forecast and projections; and - assessed the adequacy of disclosures in relation to impairment assessment including those assumptions to which the outcome of the impairment test is most sensitive, that have the most significant effect on the determination of the recoverable amount of the assets.
Impairment assessment of interests in subsidiaries (Parent company only) The Company has balance of interests in subsidiaries of RM2,699,030,000 as at 31 December 2023. On an annual basis, management is required to assess for indications of impairment to determine if impairment assessment should be carried out. The impairment testing requires management to make assumptions in the underlying cash flow forecast and projections. The assumptions include expectations for gross margin, growth rates and discount rates, as well as the overall market and economic conditions in the markets. In view of the significance of the amount and the level of judgement exercised by management, we consider this as a key audit matter. The disclosures for interests in subsidiaries of the Company are included in Note 15 to the financial statements.	Our audit procedures included, amongst others: - obtained understanding of the Group's policies and procedures to identify indication of impairment of assets relating to loss-making subsidiaries; - held discussions with management and the auditors of the subsidiaries to obtain an understanding of assumptions used in the cash flow forecast and projections; - Examined approved cash flow forecast and projections as well as historical trend analysis; - compared the key assumptions used in the impairment assessments to historical performance, external data reflecting current market conditions and our understanding of the business, in particular gross margin and growth rates used in determining the value in use at each CGU level, and considering the viability of future plans, local economic conditions and industry outlook;

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

Key Audit Matters (cont'd.)

Key Audit Matters	How our audit address the Key Audit Matters
Impairment assessment of interests in subsidiaries (Parent company only) (cont'd.)	Our audit procedures included, amongst others: (cont'd.) - performed sensitivity analysis of the key assumptions and determined if the carrying amount of CGU materially exceeded the recoverable amount; - involved our internal valuation specialists to assist us in evaluating the appropriateness of discount rate, methodologies and assumptions used in the cash flow forecast and projections; and - assessed the adequacy of disclosures in relation to impairment assessment including those assumptions to which the outcome of the impairment test is most sensitive, that have the most significant effect on the determination of the recoverable amount of the assets.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Other Matters

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

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants (AF 0737)

LIAN TIAN KWEE
(No: 02943/05/2025 J)
Chartered Accountant

Kuala Lumpur, Malaysia
5 April 2024

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000 (Restated)	Company 2023 RM'000	Company 2022 RM'000
Continuing operations					
Revenue	4	**3,121,955**	2,914,996	**-**	-
Other income	5	**357,214**	319,486	**-**	-
Purchase of goods and changes in inventories		**(1,433,387)**	(1,442,008)	**-**	-
Employee benefits expense	6	**(441,287)**	(470,272)	**(204)**	(204)
Depreciation and amortisation		**(494,815)**	(547,498)	**(2)**	(1)
Promotional and advertising expenses		**(38,020)**	(38,715)	**-**	-
Rental expenses		**(82,944)**	(20,057)	**-**	-
Other expenses	8(d)	**(476,632)**	(491,223)	**(1,779)**	(1,524)
Operating profit/(loss)		**512,084**	224,709	**(1,985)**	(1,729)
Finance income	7	**46,523**	45,796	**84**	821
Finance costs	7	**(380,352)**	(362,475)	**-**	-
Share of results of associates		**8,210**	(1,001)	**-**	-
Share of results of joint ventures		**7,170**	(1,124)	**-**	-
Reversal of impairment loss on amount due from a subsidiary	19	**-**	-	**29,654**	18,127
Gain on disposal of properties		**23,756**	-	**-**	-
Impairment loss on:					
- Property, plant and equipment		**(3,414)**	(2,400)	**-**	-
- Right-of-use assets	13	**(15,407)**	(25,057)	**-**	-
- Intangible assets	14	**(83,267)**	(32,500)	**-**	-
- Amounts due from subsidiaries	19	**-**	-	**-**	(97)
Profit/(loss) before tax	8	**115,303**	(154,052)	**27,753**	17,122
Income tax expense	9	**(71,507)**	(30,770)	**(118)**	(25)
Profit/(loss) for the financial year from continuing operations		**43,796**	(184,822)	**27,635**	17,097
Discontinued operations	33				
Loss for the financial year from discontinued operations		**(14,868)**	(7,421)	**-**	-
Profit/(loss) for the financial year from continuing and discontinued operations		**28,928**	(192,243)	**27,635**	17,097

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

		Group		Company	
	Note	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
(Loss)/profit for the financial year attributable to:					
Owners of the parent		**(19,186)**	(109,665)	**27,635**	17,097
Non-controlling interests	15(c)	**48,114**	(82,578)	**-**	-
		28,928	(192,243)	**27,635**	17,097
Basic and diluted loss per share (sen):	10				
Continuing operations		**(0.79)**	(9.15)		
Discontinued operations		**(0.88)**	(0.44)		
		(1.67)	(9.59)		

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

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Profit/(loss) for the financial year	**28,928**	(192,243)	**27,635**	17,097
<u>Other comprehensive income/(loss)</u>				
Item that will not be reclassified to profit or loss:				
Change in fair value of financial assets	**(936)**	175	**-**	-
Item that may be reclassified subsequently to profit or loss:				
Foreign currency translation	**27,598**	(193,482)	**-**	-
Other comprehensive income/(loss) for the financial year, net of tax	**26,662**	(193,307)	**-**	-
Total comprehensive income/(loss) for the financial year	**55,590**	(385,550)	**27,635**	17,097
Total comprehensive (loss)/income for the financial year attributable to:				
Owners of the parent	**(3,111)**	(211,228)	**27,635**	17,097
Non-controlling interests	**58,701**	(174,322)	**-**	-
	55,590	(385,550)	**27,635**	17,097

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000 (Restated)
Assets			
Non-current assets			
Property, plant and equipment	11	**1,873,972**	1,906,538
Investment properties	12	**466,108**	452,447
Right-of-use assets	13(a)	**1,829,110**	2,093,645
Intangible assets	14	**1,119,375**	1,180,468
Investments in associates	16	**33,398**	27,300
Investments in joint ventures	17	**-**	8,197
Deferred tax assets	18	**184,537**	187,266
Trade receivables	20	**253,100**	157,788
Other receivables	21	**227,856**	393,798
Investment securities	22	**1,568**	17,504
Time deposits	23	**17,567**	15,869
		6,006,591	6,440,820
Current assets			
Inventories	24	**357,342**	386,831
Trade and other receivables	20	**599,062**	480,085
Investment securities	22	**37,159**	68,477
Tax recoverable		**160**	163
Deposits, cash and bank balances	23	**1,477,277**	1,290,200
		2,471,000	2,225,756
Non-current assets classified as held for sale	34	**48,356**	192,933
		2,519,356	2,418,689
Total assets		**8,525,947**	8,859,509
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	25	**2,160,580**	2,160,580
Other reserves	26	**(1,499,712)**	(1,512,314)
Retained profits		**774,485**	790,198
		1,435,353	1,438,464
Non-controlling interests	15(c)	**982,171**	931,599
Total equity		**2,417,524**	2,370,063

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023 (continued)

	Note	2023 RM'000	2022 RM'000 (Restated)
Equity and liabilities (cont'd.)			
Non-current liabilities			
Deferred tax liabilities	18	**146,615**	175,903
Loans and borrowings	27	**1,505,078**	1,421,800
Long term payables	28	**1,076**	5,417
Provisions	29	**20,501**	17,217
Lease liabilities	13(b)	**1,926,580**	2,329,785
		3,599,850	3,950,122
Current liabilities			
Trade and other payables	30	**1,279,531**	1,260,395
Contract liabilities	31	**419,207**	414,305
Loans and borrowings	27	**234,867**	317,050
Provisions	29	**4,173**	5,816
Lease liabilities	13(b)	**545,975**	516,887
Tax payables		**24,820**	24,871
		2,508,573	2,539,324
Total liabilities		**6,108,423**	6,489,446
Total equity and liabilities		**8,525,947**	8,859,509

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

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
Assets			
Non-current assets			
Property, plant and equipment	11	**3**	4
Intangible assets	14	**28**	28
Interests in subsidiaries	15	**2,699,030**	2,671,212
Amounts due from subsidiaries	19	**21**	18
		2,699,082	2,671,262
Current assets			
Trade and other receivables	20	**14**	127
Amounts due from subsidiaries	19	**3,503**	3,689
Deposits, cash and bank balances	23	**952**	3,461
		4,469	7,277
Total assets		**2,703,551**	2,678,539
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	25	**2,160,580**	2,160,580
Other reserves	26	**2,905,831**	2,905,831
Accumulated losses		**(2,365,965)**	(2,393,600)
Total equity		**2,700,446**	2,672,811
Current liabilities			
Trade and other payables	30	**1,166**	891
Amounts due to subsidiaries	32	**1,939**	4,837
Total liabilities		**3,105**	5,728
Total equity and liabilities		**2,703,551**	2,678,539

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Attributable to owners of the parent					
	Non-distributable					
	Share capital RM'000 (Note 25)	Other reserves RM'000 (Note 26)	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 31 December 2022, as previously reported	**2,160,580**	**(1,512,314)**	**835,827**	**1,484,093**	**968,972**	**2,453,065**
Effects of adoption of amendments to MFRS 112 (Note 2.2)	**-**	**-**	**(45,629)**	**(45,629)**	**(37,373)**	**(83,002)**
At 31 December 2022 (restated) and 1 January 2023	**2,160,580**	**(1,512,314)**	**790,198**	**1,438,464**	**931,599**	**2,370,063**
Total comprehensive income/ (loss) for the financial year	**-**	**16,075**	**(19,186)**	**(3,111)**	**58,701**	**55,590**
Transactions with owners						
Transfer from capital reserves	**-**	**(3,473)**	**3,473**	**-**	**-**	**-**
Dividends to non-controlling interests	**-**	**-**	**-**	**-**	**(8,129)**	**(8,129)**
Total transactions with owners	**-**	**(3,473)**	**3,473**	**-**	**(8,129)**	**(8,129)**
At 31 December 2023	**2,160,580**	**(1,499,712)**	**774,485**	**1,435,353**	**982,171**	**2,417,524**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

	Attributable to owners of the parent					
	Non-distributable					
	Share capital RM'000 (Note 25)	Other reserves RM'000 (Note 26)	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 31 December 2021, as previously reported	2,155,630	(1,409,122)	954,143	1,700,651	1,153,071	2,853,722
Effects of adoption of amendments to MFRS 112 (Note 2.2)	-	-	(55,909)	(55,909)	(45,793)	(101,702)
At 31 December 2021 (restated) and 1 January 2022	2,155,630	(1,409,122)	898,234	1,644,742	1,107,278	2,752,020
Total comprehensive loss for the financial year	-	(101,563)	(109,665)	(211,228)	(174,322)	(385,550)
Transactions with owners						
Transfer from capital reserves	-	(1,629)	1,629	-	-	-
Issue of share capital	4,950	-	-	4,950	-	4,950
Dividends to non-controlling interests	-	-	-	-	(1,357)	(1,357)
Total transactions with owners	4,950	(1,629)	1,629	4,950	(1,357)	3,593
At 31 December 2022	2,160,580	(1,512,314)	790,198	1,438,464	931,599	2,370,063

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

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	← Non-distributable	→		
	Share capital RM'000 (Note 25)	Other reserves RM'000 (Note 26)	Accumulated losses RM'000	Total equity RM'000
At 1 January 2023	**2,160,580**	**2,905,831**	**(2,393,600)**	**2,672,811**
Total comprehensive income for the financial year	**-**	**-**	**27,635**	**27,635**
At 31 December 2023	**2,160,580**	**2,905,831**	**(2,365,965)**	**2,700,446**
At 1 January 2022	2,155,630	2,905,831	(2,410,697)	2,650,764
Total comprehensive income for the financial year	-	-	17,097	17,097
Transactions with owners				
Issue of share capital, representing total transactions with owners	4,950	-	-	4,950
At 31 December 2022	2,160,580	2,905,831	(2,393,600)	2,672,811

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit/(loss) before tax:				
- Continuing operations	**115,303**	(154,052)	**27,753**	17,122
- Discontinued operations	**(14,868)**	(7,421)	**-**	-
Adjustments for:				
Depreciation and amortisation	**494,832**	547,546	**2**	1
Write off of:				
- Property, plant and equipment	**1,237**	481	**-**	-
- Receivables	**3**	-	**3**	-
Gain on disposal of properties	**(23,756)**	-	**-**	-
Impairment loss on:				
- Property, plant and equipment	**3,414**	3,112	**-**	-
- Right-of-use assets	**15,407**	25,057	**-**	-
- Intangible assets	**83,267**	32,500	**-**	-
- Receivables	**28,058**	12,992	**113**	-
- Amounts due from subsidiaries	**-**	-	**-**	97
Loss on termination of subleases	**97,046**	-	**-**	-
Gain on termination of lease with landlord	**(65,607)**	-	**-**	-
Gain on deconsolidation of subsidiaries	**(35,065)**	-	**-**	-
Write down of inventories	**190**	656	**-**	-
Reversal of impairment loss on:				
- Property, plant and equipment	**-**	(1,271)	**-**	-
- Right-of-use assets	**-**	(6,630)	**-**	-
- Receivables	**(1,017)**	(2,844)	**-**	-
- Amount due from a subsidiary	**-**	-	**(29,654)**	(18,127)
Unrealised foreign currency exchange loss	**10,475**	30,361	**-**	-
Loss/(gain) on disposal of:				
- Property, plant and equipment	**2,717**	1,980	**-**	-
- Investment properties	**733**	(811)	**-**	-
- A subsidiary	**-**	(869)	**-**	-
Rent concessions related to COVID-19	**(1,097)**	(40,717)	**-**	-

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (cont'd.)				
Share of results of associates	**(8,210)**	1,001	**-**	-
Share of results of joint ventures	**(7,170)**	1,124	**-**	-
Finance costs	**385,516**	369,622	**-**	-
Finance income	**(50,994)**	(54,045)	**(84)**	(821)
Income from subleasing right-of-use assets	**(11,752)**	(581)	**-**	-
Income from lease modification and lease termination	**(32,441)**	(13,199)	**-**	-
Dividend income from investment securities	**(771)**	(750)	**-**	-
Operating profit/(loss) before working capital changes	**985,450**	743,242	**(1,867)**	(1,728)
Changes in working capital:				
Inventories	**40,139**	(10,806)	**-**	-
Receivables	**(226,732)**	(144,258)	**2,016**	(4,201)
Payables	**117,271**	(137,780)	**(2,623)**	1,031
Cash flows generated from/ (used in) operations	**916,128**	450,398	**(2,474)**	(4,898)
Taxes (paid)/refunded	**(97,488)**	(80,300)	**(118)**	(25)
Interest paid	**(155,508)**	(94,298)	**-**	-
Interest received	**25,713**	28,957	**84**	12
Net cash flows generated from/ (used in) operating activities	**688,845**	304,757	**(2,508)**	(4,911)
Cash flows from investing activities				
Purchase of property, plant and equipment (Note 11(iv))	**(63,991)**	(64,779)	**(1)**	-
Additions to investment properties	**(24,844)**	(37,810)	**-**	-
Proceeds from disposal of:				
- Property, plant and equipment	**67**	237	**-**	-
- Investment properties	**-**	3,838	**-**	-
- Non-current assets classified as held for sale	**86,106**	84,293	**-**	-
Proceeds from subleases	**82,757**	63,788	**-**	-

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (continued)

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash flows from investing activities (cont'd.)				
Proceeds from redemption of an investment security	**15,000**	-	**-**	-
Net cash outflow on deconsolidation of subsidiaries (Note 15(a))	**(209)**	-	**-**	-
Net cash inflow on disposal of equity interest in a subsidiary (Note 15(b))	**-**	84	**-**	-
Dividends received from:				
- Associates	**2,734**	4,021	**-**	-
- A joint venture	**15,573**	-	**-**	-
- Investment securities	**1,831**	1,350	**-**	-
Changes in:				
- Investment securities	**32,791**	(11,171)	**-**	-
- Deposits with banks	**(6,268)**	431,799	**-**	-
Net cash flows generated from/ (used in) investing activities	**141,547**	475,650	**(1)**	-
Cash flows from financing activities				
Dividends paid to non-controlling interests	**(8,129)**	(1,357)	**-**	-
Issue of share capital (Note 25)	**-**	4,950	**-**	4,950
Proceeds from loans and borrowings (Note 27)	**26,406**	1,411,773	**-**	-
Repayment of loans and borrowings (Note 27)	**(83,050)**	(1,156,486)	**-**	-
Payment of lease liabilities	**(624,459)**	(586,023)	**-**	-
Net cash flows (used in)/generated from financing activities	**(689,232)**	(327,143)	**-**	4,950
Net increase/(decrease) in cash and cash equivalents	**141,160**	453,264	**(2,509)**	39
Effects of changes in exchange rates	**39,823**	(9,141)	**-**	-
Cash and cash equivalents at beginning of the financial year	**1,251,268**	807,145	**3,461**	3,422
Cash and cash equivalents at end of the financial year (Note 23)	**1,432,251**	1,251,268	**952**	3,461

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office and the principal place of business of the Company are both located at Level 14, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 15. There have been no significant changes in the nature of the principal activities of the Company and of the Group during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 5 April 2024.

2. Summary of material accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000 or '000) except when otherwise indicated.

2.2 Adoption of new and amended standards

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2023, the Group and the Company adopted the following new and amended standards which are mandatory for annual periods beginning on or after 1 January 2023:

Description

- MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

2. Summary of material accounting policies (cont'd.)

2.2 Adoption of new and amended standards (cont'd.)

On 1 January 2023, the Group and the Company adopted the following new and amended standards which are mandatory for annual periods beginning on or after 1 January 2023: (cont'd.)

Description

- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112 Income Taxes - International Tax Reform: Pillar Two Model Rules

The adoption of the above new and amended standards did not result in material impact to the financial statements of the Group and of the Company, except for the following:

<u>Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies</u>

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions, is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions, is itself material. The Malaysian Accounting Standards Board ("MASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The amendments had changed the Group's and the Company's disclosures of accounting policies but not impacted on the measurement, recognition or presentation of any items in the Group's and the Company’s financial statements.

2. Summary of material accounting policies (cont'd.)

2.2 Adoption of new and amended standards (cont'd.)

Amendments to MFRS 112 Income Taxes

The amendments clarify that the initial recognition exemption of deferred tax in MFRS 112 does not apply to transactions that give rise to equal taxable and deductible temporary differences, such as lease contracts that give rise to the recognition of a lease liability and the corresponding right-of-use assets and contracts that give rise to the recognition of decommissioning obligations and corresponding amounts recognised as assets. Instead, entities are required to recognise the related deferred tax asset and liability on initial recognition, with the recognition of any deferred tax asset being subject to the recoverability criteria in MFRS 112.

The Group adopted the amendments from 1 January 2023 and is required to recognise the associated deferred tax assets and liabilities from leases that occurred on or after 1 January 2022 from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained profits at that date.

Prior to the application of the amendments, the Group had recognised the deferred tax assets and liabilities arising from leases on a net basis. Following the requirements of the amendments, the Group has recognised deferred tax liabilities in relation to its right-of-use assets as at 1 January 2022 and has only recognised deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

The impact of the retrospective adjustments of the changes in MFRS 112 on the items and amounts in the consolidated financial statements for the comparative period, is as follows:

Consolidated statement of profit or loss

	As previously reported RM'000	Effects RM'000	Restated RM'000
For the financial year ended 31 December 2022			
Income tax expense	(49,470)	18,700	(30,770)
Loss for the year attributable to:			
Owners of the parent	(119,945)	10,280	(109,665)
Non-controlling interests	(90,998)	8,420	(82,578)

2. Summary of material accounting policies (cont'd.)

2.2 Adoption of new and amended standards (cont'd.)

Amendments to MFRS 112 Income Taxes (cont'd.)

The impact of the retrospective adjustments of the changes in MFRS 112 on the items and amounts in the consolidated financial statements for the comparative period, is as follows: (cont'd.)

Consolidated statement of financial position

	As previously reported as at 31.12.2021 RM'000	Effects RM'000	Restated as at 31.12.2021 RM'000
Deferred tax assets	200,170	(28,562)	171,608
Deferred tax liabilities	136,524	73,140	209,664
Retained profits	954,143	(55,909)	898,234
Non-controlling interests	1,153,071	(45,793)	1,107,278

	As previously reported as at 31.12.2022 RM'000	Effects RM'000	Restated as at 31.12.2022 RM'000
Deferred tax assets	220,514	(33,248)	187,266
Deferred tax liabilities	126,149	49,754	175,903
Retained profits	835,827	(45,629)	790,198
Non-controlling interests	968,972	(37,373)	931,599

2. Summary of material accounting policies (cont'd.)

2.3 Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

Effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

Deferred to a date to be determined by the MASB

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The above standards and amendments are not expected to have a material impact on the financial statements of the Group and of the Company in the period of initial application.

2.4 Investments in subsidiaries

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any accumulated impairment losses.

2.5 Investments in associates and joint ventures

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Investments in associates and joint ventures are recognised in the Group's statements of financial position at cost less any accumulated impairment losses, unless the investments are classified as held for sale or distribution.

2. Summary of material accounting policies (cont'd.)

2.6 Property, plant and equipment and depreciation

Construction in progress, and property, plant and equipment are stated at cost less any accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	25 - 45 years
Office equipment and vehicles	4 - 10 years
Furniture, fittings and other equipment	1 - 10 years
Renovations	2 - 10 years

Land, including the legal costs incurred at initial acquisition of land rights, is stated at cost and not depreciated.

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

2.7 Investment properties

Investment properties and investment properties under construction ("IPUC") are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. These investment properties are depreciated to write off the value over the unexpired lease terms ranging from 32 to 42 years (2022: 32 to 42 years). IPUC are not depreciated as they are not yet ready for their intended use.

2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

2. Summary of material accounting policies (cont'd.)

2.8 Intangible assets (cont'd.)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating units ("CGUs") level.

- **Computer software**

  Computer software of the Group is amortised on a straight-line basis over their estimated useful lives ranging from 5 to 8 years.

- **Club memberships**

  Club memberships are amortised on a straight-line basis over their original useful lives ranging from 25 to 99 years.

- **Brands**

  Brands represent supplier exclusive right for sales of goods and services to a chain of outlets by the Group. Brands are amortised on a straight-line basis over their estimated useful lives ranging from 10 to 14 years.

2.9 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. Land use rights are amortised over their original lease terms which range from 42 to 45 years (2022: 42 to 45 years).

2.10 Impairment of non-financial assets

The following assets have specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually as at 31 December and also when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or groups of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

2. Summary of material accounting policies (cont'd.)

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of merchandise and consumables are determined using the weighted average method. The cost of merchandise and consumables comprise cost of purchase.

In determination of closing inventories, cost is calculated based on weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

2.13 Leases

(a) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(b) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have lease terms of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

2. Summary of material accounting policies (cont'd.)

2.14 Revenue recognition

The following information represents the typical transactions of the Group and of the Company:

(a) Sales of goods - direct sales

Revenue on sales of goods - direct sales from retail stores is recognised at a point in time net of sales taxes and discounts upon the transfer of control of goods to the customer, usually on the delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Commissions from concessionaire sales

Commissions from concessionaire sales are recognised at a point in time upon the sales of goods by the concessionaire.

(c) Revenue from services

Revenue from services rendered is recognised at a point in time net of service taxes and discounts and when the services are rendered.

(d) Promotion income and sales commissions

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

(e) Consultancy and management service fees

Revenue from the provision of consultancy and management services is recognised over the scheduled period on a straight-line basis as the customer simultaneously receives and consumes the benefits provided by the Group.

2. Summary of material accounting policies (cont'd.)

2.14 Revenue recognition (cont'd.)

The following information represents the typical transactions of the Group and of the Company: (cont'd.)

(f) Revenue from customer loyalty award

Revenue from customer loyalty award is recognised at a point in time when the obligation in respect of the award is fulfilled.

The Group has loyalty points programme, which allows customers to accumulate points when they purchase products in the Group's stores. The points can be redeemed for free or discounted goods from the Group's stores, subject to a minimum number of points being obtained.

The Group allocates consideration received from the sale of goods to the goods sold and the points issued that are expected to be redeemed.

The consideration allocated to the points issued is measured at the fair value of the points. It is recognised as contract liabilities on the statements of financial position and recognised as revenue when the points are redeemed, have expired or are no longer expected to be redeemed. The amount of revenue recognised is based on the number of points that have been redeemed, relative to the total number expected to be redeemed.

(g) Revenue from food and beverage operations

Revenue from food and beverage operations is recognised at a point in time upon the delivery of products and customers' acceptance, if any, and performance of services.

(h) Revenue from credit services

Revenue from credit services represents the profit income from financing receivables. The revenue is recognised as income over the period of instalment payments calculated using the effective profit rate method.

The payment terms for billing arising from revenue are disclosed in Note 20.

2. Summary of material accounting policies (cont'd.)

2.15 Fair value measurement

The Group measures financial instruments, such as derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or

- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2. Summary of material accounting policies (cont'd.)

2.15 Fair value measurement (cont'd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. Significant accounting judgements and estimates

The preparation of the Group's and of the Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainties about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(i) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, in assessing whether a property qualifies as an investment property, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

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

3.1 Judgements made in applying accounting policies (cont'd.)

(ii) Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The Group considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstance that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of commercial properties with shorter non-cancellable period (i.e. three years). The Group typically exercises its option to renew these leases as there will be a significant negative effect on operations if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised. The information about the leases is disclosed in Note 13.

3.2 Key sources of estimation uncertainties

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

(i) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

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

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

(i) Income taxes (cont'd.)

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authorities. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies. The information of the Group’s income taxes is disclosed in Note 9.

(ii) Impairment of receivables

The Group uses a provision matrix to calculate expected credit loss ("ECL") for loan receivables from credit services segment. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating).

The provision matrix is initially based on the Group's historically observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic condition is expected to deteriorate over the next year which can lead to increasing number of defaults, the historical default rates are adjusted. At each reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 20.

For other receivables, the Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is an objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is an objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's and of the Company's receivables at the reporting date are disclosed in Note 20.

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

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

(iii) Impairment of goodwill and other intangibles

The Group recognises impairment loss in respect of goodwill and other intangibles when the carrying value exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Goodwill and other intangibles are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the CGUs to which goodwill and other intangibles are allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in assumptions are disclosed in Note 14.

The Group's impairment loss recognised is segregated by the segment below:

	2023 RM'000	2022 RM'000
Retailing - China	**83,267**	32,500

(iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence, there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

The Group has RM929,093,000 (2022: RM950,580,000) of unused tax losses and RM24,935,000 (2022: RM28,411,000) of unabsorbed capital allowances. These losses and capital allowances relate to subsidiaries that have history of losses, not expired and may not be used to offset taxable income elsewhere in the Group.

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

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

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

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

If the Group was able to recognise all unrecognised deferred tax assets, the profit or loss and the equity would have increased by RM241,064,000 (2022: RM248,995,000). Further details on deferred taxes are disclosed in Note 18.

(v) Impairment of property, plant and equipment and right-of-use assets

The Group recognises impairment loss in respect of renovations, furniture, fittings, other equipment and right-of-use assets when the carrying value of the individual stores, defined as smallest CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. This requires an estimation of the value in use of the individual stores to which the property, plant and equipment and right-of-use assets are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the individual stores and to choose a suitable pre-tax discount rate to calculate the present value of the cash flow projections. Loss making stores in current financial year indicates there is an impairment of property, plant and equipment and right-of-use assets. The carrying amount and impairment loss of the Group's property, plant and equipment and right-of-use assets during the financial years are disclosed in Notes 11 and 13(a) respectively.

The pre-tax discount rates applied to the cash flow projection for Malaysia and China are 10.7% (2022: 7.8%) and 11.0% (2022: 10.5%) respectively.

The Group's impairment loss recognised is segregated by segments as follows:

	Property, plant and equipment		**Right-of-use assets**	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Continuing operations:				
Retailing - China	**3,414**	2,400	**15,407**	25,057
Discontinued operations	**-**	712	**-**	-
	3,414	3,112	**15,407**	25,057

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

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

(vi) Leases - estimating the incremental borrowing rate

The Group uses its incremental borrowing rate ("IBR") to measure lease liabilities as the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates such as the subsidiary's stand-alone credit rating.

(vii) Impairment of interest in subsidiary

The Company determines whether its interest in subsidiary is impaired. This involves an estimation of the value in use of the subsidiary. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the subsidiary, to choose a suitable pre-tax discount rate to calculate the present value of the cash flow projections and to estimate a forecasted growth rate to extrapolate cash flow projections up to 5-year period. The carrying amount of the Company's interests in subsidiaries recognised at the reporting date is disclosed in Note 15.

(viii) Provisions for restoration costs

The Group makes provisions for restoration costs based on the estimated costs to restore the leased areas in the event of relocation. As at 31 December 2023, the Group has the balance of provisions for restoration costs of RM24,674,000 (2022: RM23,033,000). A 10% difference in the estimated costs to restore the leased areas would result in approximately RM2,467,000 (2022: RM2,303,000) variance in provisions for restoration costs. Further details on provisions for restoration costs are disclosed in Note 29.

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

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

(ix) Allowance for inventory obsolescence and slow-moving inventories

Management reviews the condition of inventories of the Group and makes allowance against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Management estimates the net realisable value for such inventories based on primarily the latest invoice prices and current market conditions. The Group carries out an inventory review at the end of each reporting period and makes allowance for inventory obsolescence and slow-moving items. Management reassesses the estimation by the end of each reporting period. Further details on inventories are disclosed in Note 24.

(x) Non-current assets classified as held for sale

During the financial year ended 31 December 2023, the Group had entered into a sale and purchase agreement in relation to the proposed disposal of part of a leasehold land. In the previous financial year ended 31 December 2022, the Group had entered into a sale and purchase agreement with a third party to dispose of its entire equity interests in certain joint ventures and the completion of disposal is subject to and conditional upon the conditions precedent being fulfilled. These assets were reclassified as non-current assets classified as held for sale as at 31 December 2023. The Group considers these assets meet the criteria to be classified as held for sale for the following reasons:

- assets are available for immediate sale and can be sold to potential buyers in their current conditions;
- actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification; and
- third party buyers have been identified and negotiations are at an advance stage at the reporting date.

Further details on non-current assets classified as held for sale are disclosed in Note 34.

4. Revenue

	Group 2023 RM'000	Group 2022 RM'000
Continuing operations		
Revenue from contracts with customers: (i)		
Sales of goods - direct sales	**1,742,786**	1,739,139
Commissions from concessionaire sales (ii)	**878,145**	867,035
Food and beverage ("F&B") operations	**7,595**	6,729
Consultancy and management service fees	**8,627**	7,379
	2,637,153	2,620,282
Revenue from other sources:		
Rental income	**417,526**	247,914
Credit services	**66,505**	46,050
Dividend income from investment securities	**771**	750
	484,802	294,714
	3,121,955	2,914,996
Discontinued operations		
Revenue from contracts with customers: (i)		
Commissions from concessionaire sales (ii)	**1,728**	5,425
Revenue from other sources:		
Rental income	**2,224**	2,160
	3,952	7,585

4. Revenue (cont'd.)

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

	Sales of goods - direct sales RM'000	Commissions from concessionaire sales RM'000	F&B operations RM'000	Consultancy and management service fees RM'000	Total revenue from contracts with customers RM'000
2023					
Continuing operations					
Geographical market:					
Within Malaysia	**372,892**	**390,933**	**7,595**	**-**	**771,420**
Outside Malaysia	**1,369,894**	**487,212**	**-**	**8,627**	**1,865,733**
	1,742,786	**878,145**	**7,595**	**8,627**	**2,637,153**
Timing of revenue recognition:					
At a point in time	**1,742,786**	**878,145**	**7,595**	**-**	**2,628,526**
Over time	**-**	**-**	**-**	**8,627**	**8,627**
	1,742,786	**878,145**	**7,595**	**8,627**	**2,637,153**
Discontinued operations					
Geographical market:					
Outside Malaysia	**-**	**1,728**	**-**	**-**	**1,728**
Timing of revenue recognition:					
At a point in time	**-**	**1,728**	**-**	**-**	**1,728**

4. Revenue (cont'd.)

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

	Sales of goods - direct sales RM'000	Commissions from concessionaire sales RM'000	F&B operations RM'000	Consultancy and management service fees RM'000	Total revenue from contracts with customers RM'000
2022					
Continuing operations					
Geographical market:					
Within Malaysia	343,255	406,908	6,729	-	756,892
Outside Malaysia	1,395,884	460,127	-	7,379	1,863,390
	1,739,139	867,035	6,729	7,379	2,620,282
Timing of revenue recognition:					
At a point in time	1,739,139	867,035	6,729	-	2,612,903
Over time	-	-	-	7,379	7,379
	1,739,139	867,035	6,729	7,379	2,620,282
Discontinued operations					
Geographical market:					
Outside Malaysia	-	5,425	-	-	5,425
Timing of revenue recognition:					
At a point in time	-	5,425	-	-	5,425

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

	Group 2023 RM'000	2022 RM'000
Gross revenue from concessionaire sales		
- Continuing operations	**5,116,523**	4,970,240
- Discontinued operations	**7,456**	26,480
Commissions from concessionaire sales		
- Continuing operations	**878,145**	867,035
- Discontinued operations	**1,728**	5,425

5. Other income

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Continuing operations				
Management fees	**80,261**	71,123	**-**	-
Promotion income	**30,976**	29,446	**-**	-
Administration fees	**96,176**	90,162	**-**	-
Credit card handling fees	**16,799**	16,000	**-**	-
Equipment and display space lease income	**39,223**	36,154	**-**	-
Service fees	**15,594**	14,918	**-**	-
Government grants (i)	**9,540**	6,855	**-**	-
Income from subleasing right-of-use assets	**11,752**	581	**-**	-
Income from lease modification and lease termination	**32,441**	13,199	**-**	-
Others	**24,452**	41,048	**-**	-
	357,214	319,486	**-**	-
Discontinued operations				
Others	**859**	460	**-**	-

(i) Various government grants were provided by the local authorities in the People's Republic of China ("PRC") to reward certain subsidiaries for their contributions to the local economy. There were no unfulfilled conditions or contingencies attached to these government grants.

6. Employee benefits expense

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Continuing operations				
Wages, salaries and bonuses	**336,048**	356,562	**195**	195
Defined contribution plans	**41,636**	44,839	**-**	-
Other staff related expenses	**63,603**	68,871	**9**	9
	441,287	470,272	**204**	204
Discontinued operations				
Wages, salaries and bonuses	**995**	1,975	**-**	-
Other staff related expenses	**679**	1,450	**-**	-
	1,674	3,425	**-**	-

Included in employee benefits expense of the Group and of the Company are executive Directors' remuneration amounting to RM3,378,000 (2022: RM3,368,000) and RM203,000 (2022: RM203,000) respectively as further disclosed in Note 8(b).

7. Finance income/costs

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Finance income				
Continuing operations				
Interest income on:				
Short term deposits and others	**29,662**	25,387	**38**	12
Amounts due from subsidiaries	**-**	-	**46**	809
Lease receivables from subleases	**14,748**	17,563	**-**	-
Discount adjustments on rental deposits receivable	**806**	1,149	**-**	-
Gain on redemption of financial assets at fair value through profit or loss ("FVPL")	**774**	946	**-**	-
Change of fair value of financial assets at FVPL	**533**	751	**-**	-
	46,523	45,796	**84**	821
Discontinued operations				
Interest income on lease receivables from subleases	**4,471**	7,911	**-**	-
Others	**-**	338	**-**	-
	4,471	8,249	**-**	-
Finance costs				
Continuing operations				
Interest expenses on:				
Term loan and bank loans	**146,193**	93,088	**-**	-
Bank overdrafts and others	**385**	388	**-**	-
Lease liabilities	**232,857**	268,412	**-**	-
Unwinding of discount on:				
Rental deposits payable	**27**	29	**-**	-
Provisions for restoration costs	**890**	558	**-**	-
	380,352	362,475	**-**	-
Discontinued operations				
Interest expenses on:				
Lease liabilities	**4,132**	7,131	**-**	-
Others	**1,032**	16	**-**	-
	5,164	7,147	**-**	-

8. Profit/(loss) before tax

(a) Profit/(loss) before tax is stated at after charging/(crediting):

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Continuing operations				
Directors' remuneration (Note 8(b))	**3,604**	3,547	**429**	382
Auditors' remuneration related to:				
Statutory audit:				
- Grant Thornton Malaysia PLT	**894**	858	**31**	30
- Member firm of Grant Thornton International	**2,461**	2,400	**-**	-
- Other auditors	**557**	491	**-**	-
- Overprovision	**-**	(35)	**-**	-
Assurance-related services:				
- Grant Thornton Malaysia PLT	**23**	14	**8**	8
- Member firm of Grant Thornton International	**96**	241	**-**	-
- Other auditors	**17**	16	**-**	-
Depreciation and amortisation:				
- Property, plant and equipment	**131,771**	144,462	**2**	1
- Investment properties	**15,820**	5,779	**-**	-
- Right-of-use assets	**347,218**	397,209	**-**	-
- Intangible assets	**6**	48	**-**	-
Write off of:				
- Property, plant and equipment	**1,237**	481	**-**	-
- Receivables	**3**	-	**3**	-
Allowance for impairment loss on receivables	**14,854**	12,992	**113**	-
Write down of inventories	**190**	656	**-**	-
Reversal of impairment loss on:				
- Property, plant and equipment	**-**	(1,271)	**-**	-
- Right-of-use assets	**-**	(6,630)	**-**	-
- Receivables	**(1,017)**	(2,844)	**-**	-

8. Profit/(loss) before tax (cont'd.)

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

	Group		Company	
	2023	2022	**2023**	2022
	RM'000	RM'000	**RM'000**	RM'000
Continuing operations (cont'd.)				
Foreign currency exchange loss:				
- Realised	**174**	5,417	**-**	-
- Unrealised	**10,475**	30,361	**-**	-
Loss/(gain) on disposal of:				
- Property, plant and equipment	**2,717**	1,980	**-**	-
- Investment properties	**733**	(811)	**-**	-
- A subsidiary (Note 15(b))	**-**	(869)	**-**	-
Operating lease rentals in respect of leased properties:				
- Minimum lease payments	**84,041**	60,774	**-**	-
- Rent concessions related to COVID-19	**(1,097)**	(40,717)	**-**	-
Discontinued operations				
Auditors' remuneration related to statutory audit:				
- Other auditors	**51**	64	**-**	-
Operating lease rentals in respect of leased properties:				
- Minimum lease payments	**3,928**	3,850	**-**	-

8. Profit/(loss) before tax (cont'd.)

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

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Continuing operations				
Executive Directors:				
Fees	**361**	331	**75**	75
Salaries and other emoluments	**2,969**	2,991	**128**	128
Pension costs - defined contribution plans	**48**	46	**-**	-
	3,378	3,368	**203**	203
Non-executive Directors:				
Fees	**185**	145	**185**	145
Other emoluments	**41**	34	**41**	34
	226	179	**226**	179
Total Directors' remuneration (Note 8(a))	**3,604**	3,547	**429**	382

8. Profit/(loss) before tax (cont'd.)

(c) The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors			
	Group		**Company**	
	2023	**2022**	**2023**	**2022**
Continuing operations				
Executive Directors:				
- RM50,000 and below	**-**	-	**1**	1
- RM150,001 to RM200,000	**-**	-	**1**	1
- RM450,001 to RM500,000	**-**	1	**-**	-
- RM500,001 to RM550,000	**1**	-	**-**	-
- RM2,800,001 to RM2,850,000	**1**	-	**-**	-
- RM2,850,001 to RM2,900,000	**-**	1	**-**	-
Non-executive Directors *:				
- RM50,000 and below	**-**	1	**-**	1
- RM50,001 to RM100,000	**4**	3	**4**	3

* 2022: Including a Director who was appointed on 24 November 2022.

(d) Other expenses of the Group consist mainly of utilities cost, selling and distribution expenses, property management expenses, and general and administrative expenses.

9. Income tax expense

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

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Continuing operations				
Income tax:				
Malaysian income tax	**44,282**	53,194	**118**	4
Foreign tax	**56,265**	31,368	**-**	-
	100,547	84,562	**118**	4
(Over)/under provision in prior years	**(2,105)**	(807)	**-**	21
	98,442	83,755	**118**	25
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	**(26,874)**	(54,394)	**-**	-
(Over)/under provision in prior years	**(61)**	1,409	**-**	-
	(26,935)	(52,985)	**-**	-
Total income tax expense	**71,507**	30,770	**118**	25

The Group is subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

Domestic current income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profit or loss for the years.

Under the PRC income tax regulation, except for certain preferential treatments available to certain PRC subsidiaries of the Group, the PRC companies are subject to corporate income tax at a rate of 25% (2022: 25%) on their respective taxable income. As at 31 December 2023, 3 (2022: 3) PRC entities within the Group were granted preferential corporate income tax rate of 15% from the relevant PRC tax authorities.

Subsidiaries incorporated in Vietnam, Singapore, Cambodia, Laos and Myanmar are subject to tax rates of 20%, 17%, 20%, 20% and 22% (2022: 20%, 17%, 20%, 20% and 22%) respectively for the financial year ended 31 December 2023.

9. Income tax expense (cont'd.)

Reconciliation between tax expense and accounting profit/(loss)

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

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000 (Restated)**	**RM'000**	**RM'000**
Profit/(loss) before tax:				
- Continuing operations	**115,303**	(154,052)	**27,753**	17,122
- Discontinued operations	**(14,868)**	(7,421)	**-**	-
	100,435	(161,473)	**27,753**	17,122
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	**24,104**	(38,754)	**6,661**	4,109
Different tax rates in other jurisdiction	**(2,612)**	(238)	**-**	-
Expenses not deductible for tax purposes	**66,803**	28,664	**574**	439
Income not subject to tax	**(3,165)**	(2,173)	**(7,117)**	(4,544)
Deferred tax assets not recognised	**16,384**	47,665	**-**	-
Utilisation of previously unrecognised tax losses	**(24,315)**	(6,040)	**-**	-
Reversal of previously recognised tax losses	**879**	1,095	**-**	-
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	**(714)**	(561)	**-**	-
(Over)/under provision of income tax in prior years	**(2,105)**	(807)	**-**	21
(Over)/under provision of deferred tax in prior years	**(61)**	1,409	**-**	-
Effects on share of results of associates and joint ventures	**(3,691)**	510	**-**	-
Tax expense	**71,507**	30,770	**118**	25

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

10. Loss per share

(a) Basic

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

	Group	
	2023	**2022 (Restated)**
Loss for the financial year attributable to owners of the parent (RM'000):		
- Continuing operations	**(9,082)**	(104,622)
- Discontinued operations	**(10,104)**	(5,043)
	(19,186)	(109,665)
Weighted average number of ordinary shares in issue ('000)	**1,148,902**	1,143,971
Basic loss per share (sen):		
- Continuing operations	**(0.79)**	(9.15)
- Discontinued operations	**(0.88)**	(0.44)
	(1.67)	(9.59)

(b) Diluted

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

11. Property, plant and equipment

Group	Buildings [(i)] RM'000	Office equipment and vehicles RM'000	Furniture, fittings and other equipment RM'000	Renovations [(ii)] RM'000	Capital work-in-progress [(iii)] RM'000	Total RM'000
At 31 December 2023						
Cost						
At 1 January 2023	1,515,674	14,169	415,242	1,296,515	509,306	3,750,906
Additions	-	325	7,121	47,321	11,909	66,676
Disposals	-	(857)	(17,115)	(63,136)	-	(81,108)
Write off	-	-	(11,583)	(22,198)	-	(33,781)
Reclassification from investment properties (Note 12)	-	-	1,716	238	-	1,954
Reclassification	-	-	122	11,452	(11,574)	-
Exchange differences	25,994	245	28,722	20,793	11,366	87,120
At 31 December 2023	1,541,668	13,882	424,225	1,290,985	521,007	3,791,767
Accumulated depreciation						
At 1 January 2023	342,311	11,509	342,327	1,043,120	-	1,739,267
Charge for the financial year	39,980	516	15,868	75,424	-	131,788
Disposals	-	(836)	(14,638)	(62,850)	-	(78,324)
Write off	-	-	(11,520)	(21,017)	-	(32,537)
Exchange differences	920	94	14,342	18,954	-	34,310
At 31 December 2023	383,211	11,283	346,379	1,053,631	-	1,794,504

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

Group	Buildings (i) RM'000	Office equipment and vehicles RM'000	Furniture, fittings and other equipment RM'000	Renovations (ii) RM'000	Capital work-in-progress (iii) RM'000	Total RM'000
At 31 December 2023 (cont'd.)						
Accumulated impairment loss						
At 1 January 2023	-	50	24,068	41,987	38,996	105,101
Impairment loss for the financial year	-	12	393	1,718	1,291	3,414
Write off	-	-	-	(7)	-	(7)
Exchange differences	-	146	6,432	6,036	2,169	14,783
At 31 December 2023	-	208	30,893	49,734	42,456	123,291
Net carrying amount						
At 31 December 2023	1,158,457	2,391	46,953	187,620	478,551	1,873,972

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

Group	Buildings [(i)] RM'000	Office equipment and vehicles RM'000	Furniture, fittings and other equipment RM'000	Renovations [(ii)] RM'000	Capital work-in-progress [(iii)] RM'000	Total RM'000
At 31 December 2022						
Cost						
At 1 January 2022	1,785,555	16,269	465,384	1,373,937	539,815	4,180,960
Additions	-	590	6,962	50,140	9,160	66,852
Disposals	-	(2,756)	(17,255)	(108,160)	-	(128,171)
Write off	-	-	(20,159)	(15,601)	-	(35,760)
Disposal of a subsidiary (Note 15(b))	-	-	(7,475)	-	-	(7,475)
Reclassification to non-current assets classified as held for sale (Note 34)	(208,836)	-	-	-	-	(208,836)
Reclassification	-	-	634	23,846	(24,480)	-
Exchange differences	(61,045)	66	(12,849)	(27,647)	(15,189)	(116,664)
At 31 December 2022	1,515,674	14,169	415,242	1,296,515	509,306	3,750,906

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

Group	Buildings [i] RM'000	Office equipment and vehicles RM'000	Furniture, fittings and other equipment RM'000	Renovations [ii] RM'000	Capital work-in-progress [iii] RM'000	Total RM'000
At 31 December 2022 (cont'd.)						
Accumulated depreciation						
At 1 January 2022	461,935	13,677	355,301	1,118,619	-	1,949,532
Charge for the financial year	44,715	472	27,755	71,568	-	144,510
Disposals	-	(2,641)	(15,377)	(107,936)	-	(125,954)
Write off	-	-	(13,030)	(15,218)	-	(28,248)
Disposal of a subsidiary (Note 15(b))	-	-	(6,572)	-	-	(6,572)
Reclassification to non-current assets classified as held for sale (Note 34)	(150,433)	-	-	-	-	(150,433)
Exchange differences	(13,906)	1	(5,750)	(23,913)	-	(43,568)
At 31 December 2022	342,311	11,509	342,327	1,043,120	-	1,739,267

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

Group	Buildings [i] RM'000	Office equipment and vehicles RM'000	Furniture, fittings and other equipment RM'000	Renovations [ii] RM'000	Capital work-in-progress [iii] RM'000	Total RM'000
At 31 December 2022 (cont'd.)						
Accumulated impairment loss						
At 1 January 2022	-	36	30,745	50,242	37,085	118,108
Impairment loss for the financial year	-	14	1,979	1,119	-	3,112
Reversal of impairment loss for the financial year	-	-	(569)	(558)	(144)	(1,271)
Write off	-	-	(6,858)	(173)	-	(7,031)
Exchange differences	-	-	(1,229)	(8,643)	2,055	(7,817)
At 31 December 2022	-	50	24,068	41,987	38,996	105,101
Net carrying amount						
At 31 December 2022	1,173,363	2,610	48,847	211,408	470,310	1,906,538

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

Company	Office equipment 2023 RM'000	Office equipment 2022 RM'000
Cost		
At beginning of the financial year	**9**	9
Additions	**1**	-
At end of the financial year	**10**	9
Accumulated depreciation		
At beginning of the financial year	**5**	4
Charge for the financial year	**2**	1
At end of the financial year	**7**	5
Net carrying amount		
At end of the financial year	**3**	4

(i) As at 31 December 2023, net carrying amount of buildings of RM885,127,000 (2022: RM894,572,000) are pledged with financial institutions for banking facilities extended to the Group as disclosed in Note 27.

(ii) Included in renovations are the provisions for restoration costs based on the estimated costs to restore the leased areas at the end of their respective lease term.

(iii) Capital work-in-progress comprises mainly ongoing renovation for retail stores. These capital work-in-progress will be reclassified to appropriate categories of property, plant and equipment when they are ready for their intended use.

Included in capital work-in-progress as at 31 December 2023 is a building under construction located in Tianjin City, the PRC of Rmb739,240,000 (equivalent to approximately RM477,401,000) (2022: Rmb739,240,000 or equivalent to approximately RM467,348,000).

(iv) Analysis of purchase of property, plant and equipment during the financial year are as follows:

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Aggregate costs of purchase of property, plant and equipment	**66,676**	66,852	**1**	-
Provisions for restoration costs (Note 29)	**(2,685)**	(2,073)	**-**	-
Cash payments during the financial years	**63,991**	64,779	**1**	-

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

(v) During the financial year ended 31 December 2023, impairment charge of RM3,414,000 (2022: RM3,112,000) was recorded in the consolidated statement of profit or loss, considering that the relevant subsidiaries have been incurring losses and that it was not probable that profits will be available in the foreseeable future.

Impairment tests for property, plant and equipment

Management has carried out impairment test review for property, plant and equipment based on the recoverable amount of each cash-generating unit ("CGU"). The recoverable amount has been determined based on a value in use ("VIU") calculation using cash flow projections from financial budgets approved by directors covering a 5-year period. The pre-tax discount rates applied to the cash flow projections are as follows:

	2023	2022
	%	%
CGU		
Malaysia	**10.7**	7.8
PRC	**11.0**	10.5

Key assumptions used in VIU calculations

The calculation of VIU for the CGUs are most sensitive to the following assumptions:

Revenue	: the bases used to determine the future potential earnings are historical sales and expected growth rates of the relevant industry.
Gross margins	: gross margins are based on the average gross margin achieved in the past 3 to 5 years.
Operating expenses	: the bases used to determine the values assigned are the cost of inventories purchased for resale, staff costs, depreciation and amortisation, rental expenses and other operating expenses. The value assigned to the key assumption reflects past experience and management's commitment to maintain the operating expenses to an acceptable level.
Growth rates	: the forecasted growth rates are based on published industry research and do not exceed the long term average growth rate for the industries relevant to the CGUs.
Discount rates	: discount rates reflect management's estimate of the risks specific to these entities. In determining appropriate discount rates for each unit, consideration has been given to the applicable weighted average cost of capital for each unit.

Sensitivity to changes in assumptions

With regard to the assessment of VIU of the respective CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including property, plant and equipment, of the unit to materially exceed its recoverable amount.

12. Investment properties

Group	2023 Completed investment properties [(i)] RM'000	2023 IPUC [(ii)] RM'000	2023 Total RM'000	2022 Completed investment properties [(i)] RM'000	2022 IPUC [(ii)] RM'000	2022 Total RM'000
Cost						
At beginning of the financial year	**410,125**	**135,101**	**545,226**	424,966	194,033	618,999
Additions	**24,844**	**-**	**24,844**	37,810	-	37,810
Disposals	**(733)**	**-**	**(733)**	(3,531)	-	(3,531)
Reclassification to property, plant and equipment (Note 11)	**(1,954)**	**-**	**(1,954)**	-	-	-
Reclassification to non-current assets classified as held for sale (Note 34)	**-**	**-**	**-**	(34,327)	(58,932)	(93,259)
Exchange differences	**8,823**	**-**	**8,823**	(14,793)	-	(14,793)
At end of the financial year	**441,105**	**135,101**	**576,206**	410,125	135,101	545,226
Accumulated depreciation						
At beginning of the financial year	**69,522**	**-**	**69,522**	78,767	-	78,767
Charge for the financial year	**15,820**	**-**	**15,820**	5,779	-	5,779
Disposals	**-**	**-**	**-**	(504)	-	(504)
Reclassification to non-current assets classified as held for sale (Note 34)	**-**	**-**	**-**	(11,666)	-	(11,666)
Exchange differences	**1,499**	**-**	**1,499**	(2,854)	-	(2,854)
At end of the financial year	**86,841**	**-**	**86,841**	69,522	-	69,522

12. Investment properties (cont'd.)

Group (cont'd.)	2023 Completed investment properties (i) RM'000	2023 IPUC (ii) RM'000	2023 Total RM'000	2022 Completed investment properties (i) RM'000	2022 IPUC (ii) RM'000	2022 Total RM'000
Accumulated impairment loss						
At beginning of the financial year	**-**	**23,257**	**23,257**	-	33,833	33,833
Reclassification to non-current assets classified as held for sale (Note 34)	**-**	**-**	**-**	-	(10,576)	(10,576)
At end of the financial year	**-**	**23,257**	**23,257**	-	23,257	23,257
Net carrying amount						
At end of the financial year	**354,264**	**111,844**	**466,108**	340,603	111,844	452,447
Fair value						
At end of the financial year	**2,066,560**	**112,000**	**2,178,560**	2,023,040	112,000	2,135,040

12. Investment properties (cont'd.)

	Group 2023 RM'000	Group 2022 RM'000
Rental income derived from investment properties	**156,909**	1,599
Direct operating expenses (including repair and maintenance) generating rental income	**(15,820)**	(1,000)
Profit arose from investment properties	**141,089**	599

(i) The Group's completed investment properties consist of commercial buildings. The fair values of buildings as at 31 December 2023 and 31 December 2022 were determined on an open market, existing use basis by the Group. The fair values of the completed investment properties are categorised as Level 3 under the fair value hierarchy.

Certain portions of the buildings are held for own use by the Group and such portions are classified as property, plant and equipment.

(ii) IPUC comprises land held by the Group. The land measuring 29.22 acres is located in Melaka, Malaysia and has a leasehold term of 99 years. The land is strategically located in a prime area designated for mixed development purposes. The net carrying amount of IPUC of RM48,356,000 were reclassified as non-current assets classified as held for sale as at 31 December 2023 and 31 December 2022 as disclosed in Note 34(ii).

The fair values of the land as at 31 December 2023 and 31 December 2022 were determined based on valuations performed by an independent professionally qualified valuer, on a direct comparison method. The fair value of the IPUC is categorised as Level 3 under the fair value hierarchy.

(iii) The Group has no restrictions on realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iv) As at 31 December 2023, net carrying amount of investment properties of RM463,633,000 (2022: RM449,989,000) are pledged for loan facilities extended to the Group as disclosed in Note 27.

13. Leases

The Group as a lessee

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

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

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

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

(a) Right-of-use assets

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

	Leasehold land RM'000	Retail and office premises RM'000	Motor vehicles RM'000	Furniture, fittings and other equipment RM'000	Total RM'000
At 1 January 2023	**215,739**	**1,874,150**	**184**	**3,572**	**2,093,645**
Additions	**-**	**68,793**	**-**	**-**	**68,793**
Increase arising from lease term modification	**-**	**8,108**	**-**	**-**	**8,108**
Decrease arising from sublease	**-**	**(12,339)**	**-**	**-**	**(12,339)**
Depreciation	**(8,561)**	**(337,238)**	**(102)**	**(1,317)**	**(347,218)**
Impairment loss	**-**	**(15,407)**	**-**	**-**	**(15,407)**
Exchange differences	**4,605**	**28,730**	**8**	**185**	**33,528**
At 31 December 2023	**211,783**	**1,614,797**	**90**	**2,440**	**1,829,110**

13. Leases (cont'd.)

The Group as a lessee (cont'd.)

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

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

	Leasehold land RM'000	Retail and office premises RM'000	Motor vehicles RM'000	Furniture, fittings and other equipment RM'000	Total RM'000
At 1 January 2022	232,132	2,310,604	265	4,554	2,547,555
Additions	-	122,244	-	-	122,244
Decrease arising from:					
- Lease term modification	-	(63,959)	-	-	(63,959)
- Lease termination	-	(1,220)	-	-	(1,220)
Decrease arising from sublease	-	(24,452)	-	-	(24,452)
Depreciation	(8,683)	(387,190)	(96)	(1,240)	(397,209)
Impairment loss	-	(25,057)	-	-	(25,057)
Reversal of impairment loss	-	6,630	-	-	6,630
Disposal of a subsidiary	-	(5,075)	-	-	(5,075)
Exchange differences	(7,710)	(58,375)	15	258	(65,812)
At 31 December 2022	215,739	1,874,150	184	3,572	2,093,645

Lump sum payments were made upfront to acquire the leased land with lease periods ranging from 42 to 45 years (2022: 42 to 45 years), and no ongoing payments will be made under the terms of these land leases. Leasehold land are amortised on a straight-line basis over their respective lease periods.

As at 31 December 2023, net carrying amount of leasehold land of RM205,683,000 (2022: RM209,474,000) are pledged with financial institutions for banking facilities extended to the Group as disclosed in Note 27.

13. Leases (cont'd.)

The Group as a lessee (cont'd.)

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

During the financial year ended 31 December 2023, impairment charge of RM15,407,000 (2022: RM25,057,000) was recorded in the consolidated statement of profit or loss, considering that the relevant subsidiaries have been incurring losses and that it was not probable that profits will be available in the foreseeable future.

Impairment tests for right-of-use assets

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

	2023	2022
	%	%
CGU		
Malaysia	**10.7**	7.8
PRC	**11.0**	10.5

Key assumptions used in VIU calculations

The calculation of VIU for the CGUs are most sensitive to the assumptions made for revenue, gross margins, operating expenses, growth rates and discount rates as disclosed in Note 11(v).

Sensitivity to changes in assumptions

With regard to the assessment of VIU of the respective CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including right-of-use assets, of the unit to materially exceed its recoverable amount.

13. Leases (cont'd.)

The Group as a lessee (cont'd.)

(b) Lease liabilities

The carrying amounts of the Group's lease liabilities and the movements during the financial year are as follows:

	Group 2023 RM'000	Group 2022 RM'000
At beginning of the financial year	**2,846,672**	3,249,903
Additions arising from new leases	**68,793**	112,564
Decrease arising from:		
- Lease term modification	**(24,333)**	(78,378)
- Lease termination *	**(65,607)**	-
Rent concessions	**(1,097)**	(40,717)
Interest expense	**236,989**	275,543
Payments	**(624,459)**	(586,023)
Disposal of a subsidiary	**-**	(6,145)
Deconsolidation of subsidiaries	**(11,092)**	-
Exchange differences	**46,689**	(80,075)
At end of the financial year	**2,472,555**	2,846,672
Disclosed as:		
Current	**545,975**	516,887
Non-current	**1,926,580**	2,329,785
	2,472,555	2,846,672

* Arose from termination of lease with the landlord for the leased premises located at Saigon Tourist Plaza, Vietnam as disclosed in Note 15(a).

(c) Variable lease payments

Certain leases of the Group contain variable lease payment terms that are based on the Group's turnover or profit before tax generated by the stores. There are also minimum annual base rental arrangements for these leases. During the financial year ended 31 December 2023, variable lease payments that are recognised in the consolidated statement of profit or loss amounted to RM87,969,000 (2022: RM64,624,000).

13. Leases (cont'd.)

The Group as a lessee (cont'd.)

(d) Total cash outflows

During the financial year ended 31 December 2023, the Group had total cash outflows for leases of RM712,428,000 (2022: RM650,647,000).

(e) Extension options

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

The undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease terms are as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Extension options expected not to be exercised		
Within five years	**98,442**	42,089
More than five years	**233,019**	68,709
	331,461	110,798

14. Intangible assets

Group	Goodwill RM'000	Computer software RM'000	Club memberships RM'000	Brands RM'000	Total RM'000
Cost					
At 1 January 2022	1,622,374	17,019	388	51,286	1,691,067
Reclassification to non-current assets classified as held for sale (Note 34)	(63,513)	-	-	-	(63,513)
Exchange differences	(46,940)	(420)	(4)	(1,598)	(48,962)
At 31 December 2022 and 1 January 2023	**1,511,921**	**16,599**	**384**	**49,688**	**1,578,592**
Deconsolidation of subsidiaries	**-**	**(4,309)**	**-**	**-**	**(4,309)**
Exchange differences	**28,374**	**274**	**1**	**968**	**29,617**
At 31 December 2023	**1,540,295**	**12,564**	**385**	**50,656**	**1,603,900**
Accumulated amortisation					
At 1 January 2022	-	16,619	173	13,183	29,975
Amortisation	-	48	-	-	48
Exchange differences	-	(425)	(4)	(397)	(826)
At 31 December 2022 and 1 January 2023	**-**	**16,242**	**169**	**12,786**	**29,197**
Amortisation	**-**	**6**	**-**	**-**	**6**
Deconsolidation of subsidiaries	**-**	**(3,980)**	**-**	**-**	**(3,980)**
Exchange differences	**-**	**296**	**-**	**242**	**538**
At 31 December 2023	**-**	**12,564**	**169**	**13,028**	**25,761**

14. Intangible assets (cont'd.)

Group (cont'd.)	Goodwill RM'000	Computer software RM'000	Club memberships RM'000	Brands RM'000	Total RM'000
Accumulated impairment loss					
At 1 January 2022	309,218	297	-	38,103	347,618
Impairment loss	32,500	-	-	-	32,500
Exchange differences	(9,984)	(6)	-	(1,201)	(11,191)
At 31 December 2022 and 1 January 2023	**331,734**	**291**	**-**	**36,902**	**368,927**
Impairment loss	**83,267**	**-**	**-**	**-**	**83,267**
Deconsolidation of subsidiaries	**-**	**(291)**	**-**	**-**	**(291)**
Exchange differences	**6,135**	**-**	**-**	**726**	**6,861**
At 31 December 2023	**421,136**	**-**	**-**	**37,628**	**458,764**
Net carrying amount					
At 31 December 2023	**1,119,159**	**-**	**216**	**-**	**1,119,375**
At 31 December 2022	1,180,187	66	215	-	1,180,468

Company	Club memberships 2023 RM'000	Club memberships 2022 RM'000
Cost		
At beginning/end of the financial year	**135**	135
Accumulated amortisation and impairment loss		
At beginning/end of the financial year	**107**	107
Net carrying amount		
At end of the financial year	**28**	28

14. Intangible assets (cont'd.)

Goodwill

During the financial year ended 31 December 2023, impairment charge of RM83,267,000 (2022: RM32,500,000) was recorded in the consolidated statement of profit or loss, considering that the relevant subsidiaries have been incurring losses and that it was not probable that profits will be available in the foreseeable future.

Impairment tests for goodwill

For the purpose of impairment testing, goodwill has been allocated according to country of operation and business segment as follows:

	Malaysia RM'000	PRC RM'000	Total RM'000
Retailing			
At 31 December 2023	**19,722**	**1,099,437**	**1,119,159**
At 31 December 2022	19,722	1,160,465	1,180,187

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

	2023 %	2022 %
CGU		
Malaysia	**10.7**	7.8
PRC	**11.0**	10.5

Key assumptions used in VIU calculations

The calculation of VIU for the CGUs are most sensitive to the assumptions made for revenue, gross margins, operating expenses, growth rates and discount rates as disclosed in Note 11(v).

Sensitivity to changes in assumptions

With regard to the assessment of VIU of the respective CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including goodwill, of the unit to materially exceed its recoverable amount.

14. Intangible assets (cont'd.)

Goodwill (cont'd.)

Apart from using VIU calculation to determine the recoverable amount of CGU, the recoverable amount of one of the subsidiary, Wuxi Sanyang Parkson Plaza Co Ltd, is estimated based on fair value less costs of disposal. The fair value less costs of disposal is determined based on the carrying amount of tangible net assets, adjusted upwards to account for the fair value of its property. The fair value of the property is estimated using the market approach and the fair value measurement is categorised as Level 3 fair value based on inputs in the valuation techniques used.

The fair value of the property is based on valuation performed by an accredited independent valuer with recent experience in the location and category of property being valued.

The key assumption made by the property valuer in determining the valuation is based on the income method considering the net rental income of the property during the existing lease term and the potential rental income that can be obtained at the current market rental level, and calculates the market value of the property based on appropriate capitalisation rate.

15. Interests in subsidiaries

	Company 2023 RM'000	Company 2022 RM'000
Unquoted shares, at cost	**#**	#
Amount due from a subsidiary (i)	**7,246,677**	7,218,859
Share option granted to employees of subsidiaries	**21,183**	23,936
	7,267,860	7,242,795
Less: Accumulated impairment loss	**(4,568,830)**	(4,571,583)
	2,699,030	2,671,212
Accumulated impairment loss:		
At beginning of the financial year	**4,571,583**	4,571,583
Written off upon deconsolidation of subsidiaries	**(2,753)**	-
At end of the financial year	**4,568,830**	4,571,583

Represent RM24 (2022: RM24)

(i) The amount due from a subsidiary is unsecured and non-interest bearing. The Company regards the non-trade amount due from the subsidiary as part of the Company's interests in subsidiaries.

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Held by the Company (Parkson Holdings Berhad)						
East Crest International Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Parkson Vietnam Investment Holdings Co Ltd **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Parkson Properties Holdings Co Ltd **	British Virgin Islands	Investment holding	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Held by the Company (Parkson Holdings Berhad) (cont'd.)						
Prime Yield Holdings Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Puncak Pelita Sdn Bhd [f]	Malaysia	Investment holding	**100**	100	**-**	-
Corporate Code Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
Subsidiaries of East Crest International Limited						
PRG Corporation Limited [f]	British Virgin Islands	Investment holding	**100**	100	**-**	-
Serbadagang Holdings Sdn Bhd [f]	Malaysia	Ceased operation	**100**	100	**-**	-
Smart Spectrum Limited **	British Virgin Islands	Ceased operation	**100**	100	**-**	-
Parkson Retail Asia Limited ("PRA") [f β]	Singapore	Investment holding	**68**	68	**32**	32
Parkson Services Pte Ltd [f]	Singapore	Intellectual property holding	**100**	100	**-**	-
Subsidiary of Parkson Vietnam Investment Holdings Co Ltd						
Parkson TSN Holdings Co Ltd **	British Virgin Islands	Investment holding	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiaries of Parkson Properties Holdings Co Ltd						
Parkson Properties NDT (Emperor) Co Ltd ** (Struck off on 1.5.2023)	British Virgin Islands	Dormant	**-**	100	**-**	-
Parkson Properties Hanoi Co Ltd **	British Virgin Islands	Dormant	**100**	100	**-**	-
Subsidiaries of Prime Yield Holdings Limited						
Dyna Puncak Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
Gema Binari Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
Parkson Credit Holdings Sdn Bhd (Dissolved on 10.3.2023)	Malaysia	Dormant	**-**	100	**-**	-
Prestasi Serimas Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
Subsidiary of PRG Corporation Limited						
Parkson Retail Group Limited ("PRGL") + @	Cayman Islands	Investment holding	**54.6** *1 **0.4**	54.6 *1 0.4	**45.0**	45.0
Subsidiary of PRGL						
Grand Parkson Retail Group Limited +	British Virgin Islands	Investment holding	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
<u>Subsidiaries of Grand Parkson Retail Group Limited</u>						
Leonemas International Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Malverest Trading International Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Oroleon International Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Releomont (Hong Kong) Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Exonbury Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Parkson Investment Pte Ltd [f]	Singapore	Investment holding	**100**	100	**-**	-
Parkson Supplies Pte Ltd [f]	Singapore	Investment holding	**100**	100	**-**	-
Creation International Investment & Development Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Step Summit Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Global Heights Investment Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Subsidiaries of Grand Parkson Retail Group Limited (cont'd.)						
Golden Village Group Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Lung Shing International Investments & Development Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Capital Park Development Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Lion Food & Beverage Ventures Limited **	British Virgin Islands	Investment holding	**91**	91	**9**	9
Yeehaw Best Practices Sdn Bhd [f]	Malaysia	Dormant	**100**	100	**-**	-
Huge Return Investment Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Hanmen Holdings Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Victory Hope Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Great Dignity Development Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Parkson Venture Pte Ltd [f]	Singapore	Investment holding	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
<u>Subsidiaries of Grand Parkson Retail Group Limited</u> (cont'd.)						
Wide Field International Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Sea Coral Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
<u>Subsidiary of Leonemas International Limited</u>						
Leonemas (Hong Kong) Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
<u>Subsidiary of Leonemas (Hong Kong) Limited</u>						
Qingdao Lion Plaza Retail Management Co Ltd +	People's Republic of China	Property management	**100**	100	**-**	-
<u>Subsidiary of Malverest Trading International Limited</u>						
Malverest (Hong Kong) Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
<u>Subsidiary of Malverest (Hong Kong) Limited</u>						
Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
<u>Subsidiaries of Parkson Retail Development Co Ltd</u>						
Zhangjiakou Parkson Shopping Mall Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Subsidiaries of Parkson Retail Development Co Ltd (cont'd.)						
Qingdao Parkson Shopping Plaza Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	**100**	100	**-**	-
Qingdao Parkson Beer City Property Management Co Ltd +	People's Republic of China	Property management	**100**	100	**-**	-
Subsidiary of Oroleon International Limited						
Oroleon (Hong Kong) Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Subsidiaries of Oroleon (Hong Kong) Limited						
Parkson Retail Laos Holdings Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
Parkson Credit Sdn Bhd	Malaysia	Provision of money lending and credit services	**100**	100	**-**	-
Subsidiary of Parkson Retail Laos Holdings Sdn Bhd						
Parkson Lao Sole Co Ltd **	Lao People's Democratic Republic	Wholesale and retail trade	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiary of Releomont (Hong Kong) Limited						
Anshan Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Subsidiaries of Exonbury Limited						
Hong Kong Fen Chai Investment Limited +	Hong Kong SAR	Provision of consultancy services	**100**	100	**-**	-
Shanghai Nine Sea Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Shanghai Lion Parkson Investment Consultant Co Ltd +	People's Republic of China	Provision of consultancy and management services	**100**	100	**-**	-
Parkson Investment Holdings Co Ltd +	People's Republic of China	Investment holding	**70** *2 **30**	70 *2 30	**-**	-
Jinan Lion Consultant Management Co Ltd +	People's Republic of China	Provision of consultancy and management services	**100**	100	**-**	-
Jiaxing Lion Retail Management Co Ltd +	People's Republic of China	Provision of consultancy and management services	**100**	100	**-**	-

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

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiary of Hong Kong Fen Chai Investment Limited						
Xi'an Lucky King Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**91** *3 **9**	91 *3 9	**-**	-
Subsidiaries of Xi'an Lucky King Parkson Plaza Co Ltd						
Xi'an Shidai Parkson Store Co Ltd + (Dissolved on 9.8.2023)	People's Republic of China	Operation of department stores	**-**	51 *4 49	**-**	-
Shanxi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	**100**	100	**-**	-
Subsidiaries of Shanghai Lion Parkson Investment Consultant Co Ltd						
Shanghai Shijie Fashions Co Ltd +	People's Republic of China	Sale of apparel	**100**	100	**-**	-
Shanghai Lion Parkson Management Consultant Co Ltd +	People's Republic of China	Provision of consultancy and management services	**100**	100	**-**	-
Subsidiary of Shanghai Lion Parkson Management Consultant Co Ltd						
Shanghai Shihong Supermarket Co Ltd +	People's Republic of China	Operation of gourmet supermarkets	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Subsidiaries of Parkson Investment Holdings Co Ltd						
Shanghai Xinzhuang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Lanzhou Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Zigong Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Shanghai Lion Cosmetics Co Ltd + (Dissolved on 9.6.2023)	People's Republic of China	Wholesale and retail of cosmetics and related products	**-**	100	**-**	-
Shanghai Parkson Food & Beverage Management Co Ltd +	People's Republic of China	Food and beverage management services	**100**	100	**-**	-
Shanghai Jingshi Retail Management Co Ltd +	People's Republic of China	Property management	**100**	100	**-**	-
Shaoxing Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**80.6** *5 **19.4**	*5 100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiary of Shanghai Xinzhuang Parkson Retail Development Co Ltd						
Hunan Changsha Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Subsidiary of Parkson Investment Pte Ltd						
Rosenblum Investments Pte Ltd [f]	Singapore	Investment holding	**100**	100	**-**	-
Subsidiaries of Parkson Supplies Pte Ltd						
Chongqing Wanyou Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Mianyang Fulin Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**60** *5 **40**	60 *5 40	**-**	-
Sichuan Shishang Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores and outlets	**100**	100	**-**	-
Subsidiary of Creation International Investment & Development Limited						
Creation (Hong Kong) Investment & Development Limited +	Hong Kong SAR	Provision of consultancy services	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiaries of Step Summit Limited						
Guizhou Shenqi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**60**	60	**40**	40
Shanghai Hongqiao Parkson Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Hefei Parkson Xiaoyao Plaza Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Guizhou Tongren Parkson Retail Co Ltd + (Dissolved on 15.1.2024)	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Subsidiaries of Shanghai Hongqiao Parkson Development Co Ltd						
Changshu Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Changzhou Shifeng Retail Development Co Ltd + (Dissolved on 20.11.2023)	People's Republic of China	Sale of apparel	**-**	100	**-**	-
Changzhou Lion Food & Beverage Co Ltd +	People's Republic of China	Food and beverage management services	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiaries of Shanghai Hongqiao Parkson Development Co Ltd (cont'd.)						
Shanghai Delight Food & Beverage Management Co Ltd +	People's Republic of China	Food and beverage operation	**100**	100	**-**	-
Wenzhou Parkson Retail Development Co Ltd ^ +	People's Republic of China	Operation of department stores	**100**	-	**-**	-
Subsidiary of Shanghai Delight Food & Beverage Management Co Ltd						
Kunming Hogan Food & Beverage Management Co Ltd + (Dissolved on 16.2.2023)	People's Republic of China	Food and beverage operation	**-**	100	**-**	-
Subsidiaries of Hefei Parkson Xiaoyao Plaza Co Ltd						
Anshan Tianxing Parkson Shopping Centre Co Ltd +	People's Republic of China	Operation of department stores	**51** *6 **49**	51 *6 49	**-**	-
Qingdao Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiary of Global Heights Investment Limited						
Asia Victory International Limited **	British Virgin Islands	Domestic and cross-border trading	**100**	100	**-**	-
Subsidiary of Asia Victory International Limited						
Shunhe International Investment Limited +	Hong Kong SAR	Provision of consultancy services	**100**	100	**-**	-
Subsidiary of Shunhe International Investment Limited						
Kunming Yun Shun He Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Subsidiaries of Kunming Yun Shun He Retail Development Co Ltd						
Guizhou Zunyi Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**90** *7 **10**	90 *7 10	**-**	-
Liupanshui Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Suzhou Parkson Changfa Commercial Management Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiaries of Kunming Yun Shun He Retail Development Co Ltd (cont'd.)						
Panzhihua Parkson Retail Development Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Tianjin Parkson Shopping Mall Co Ltd +	People's Republic of China	Operation of department stores and property management	**60** *8 **20** *9 **20**	60 *8 20 *9 20	**-**	-
Parkson Business Commerce Sole Co Ltd **	Lao People's Democratic Republic	Operation of department stores	**100**	100	**-**	-
Subsidiaries of Golden Village Group Limited						
Duo Success Investments Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Jiangxi Parkson Retail Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Jiangxi Parkson Shopping Centre Management Co Ltd +	People's Republic of China	Property management	**100**	100	**-**	-
Subsidiary of Duo Success Investments Limited						
Victor Crest Limited ** (Dissolved on 10.1.2023)	British Virgin Islands	Dormant	**-**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiary of Victor Crest Limited						
Wide Crest Limited ** (Dissolved on 10.1.2023)	British Virgin Islands	Dormant	**-**	100	**-**	-
Subsidiary of Wide Crest Limited						
Bond Glory Limited ** (Dissolved on 10.1.2023)	British Virgin Islands	Dormant	**-**	100	**-**	-
Subsidiaries of Jiangxi Parkson Shopping Centre Management Co Ltd						
Yichun Parkson Shopping Centre Co Ltd +	People's Republic of China	Operation of shopping malls	**100**	100	**-**	-
Nanchang Parkson Shopping Centre Co Ltd ^ +	People's Republic of China	Operation of shopping mall	**100**	-	**-**	-
Subsidiary of Lung Shing International Investments & Development Limited						
Anshan Lung Shing Property Services Co Ltd +	People's Republic of China	Property management	**100**	100	**-**	-
Subsidiary of Capital Park Development Limited						
Capital Park (HK) Investment & Development Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiary of Capital Park (HK) Investment & Development Limited						
Wuxi Sanyang Parkson Plaza Co Ltd +	People's Republic of China	Operation of department stores	**60**	60	**40**	40
Subsidiary of Lion Food & Beverage Ventures Limited						
Parkson Food & Beverage Ventures Limited +	Hong Kong SAR	Investment holding	**100**	100	**-**	-
Subsidiary of Parkson Food & Beverage Ventures Limited						
Shanghai Lion Food and Beverage Management Co Ltd + (Dissolved on 15.6.2023)	People's Republic of China	Food and beverage management services	**-**	100	**-**	-
Subsidiary of Victory Hope Limited						
Nanning Brilliant Parkson Commercial Co Ltd +	People's Republic of China	Operation of department stores and shopping malls	**70** *10 **30**	70 *10 30	**-**	-
Subsidiary of Nanning Brilliant Parkson Commercial Co Ltd						
Wuzhou Fashion Parkson Business Management Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
<u>Subsidiaries of Great Dignity Development Limited</u>						
Shantou Parkson Commercial Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
Qingdao Parkson Lion Commercial Management Co Ltd ^ +	People's Republic of China	Property management	**100**	-	**-**	-
<u>Subsidiary of Parkson Venture Pte Ltd</u>						
Qingdao No. 1 Parkson Co Ltd +	People's Republic of China	Operation of department stores	**95.9**	95.9	**4.1**	4.1
<u>Subsidiary of Wide Field International Limited</u>						
Shenyang Parkson Shopping Plaza Co Ltd +	People's Republic of China	Operation of department stores	**100**	100	**-**	-
<u>Subsidiaries of PRA</u>						
Parkson Corporation Sdn Bhd	Malaysia	Operation of department stores and related trading activities including e-commerce activities	**100**	100	**-**	-
Centro Retail Pte Ltd [f]	Singapore	Investment holding	**100**	100	**-**	-
PT Tozy Sentosa (In Bankruptcy)	Indonesia	Ceased operation	**90** *11 **10**	90 *11 10	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiaries of PRA (cont'd.)						
Parkson Myanmar Co Pte Ltd [f]	Singapore	Investment holding	**100**	100	**-**	-
Parkson Yangon Company Limited **	Myanmar	Dormant	**95** *12 **5**	95 *12 5	**-**	-
Subsidiaries of Parkson Corporation Sdn Bhd						
Parkson Vietnam Co Ltd [f] (Note 15(a))	Vietnam	Ceased operation	**100**	100	**-**	-
Parkson Haiphong Co Ltd [f]	Vietnam	Ceased operation	**100**	100	**-**	-
Parkson Cambodia Holdings Co Ltd **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Parkson SGN Co Ltd [f]	Vietnam	Dormant	**100**	100	**-**	-
Parkson Edutainment World Sdn Bhd	Malaysia	Dormant	**100**	100	**-**	-
Parkson Lifestyle Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	**100**	100	**-**	-
Parkson Unlimited Beauty Sdn Bhd	Malaysia	Ceased operation	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Subsidiaries of Parkson Corporation Sdn Bhd (cont'd.)						
Parkson Private Label Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	**100**	100	**-**	-
Parkson Trading (Vietnam) Company Limited [f]	Vietnam	Ceased operation	**100**	100	**-**	-
Solid Gatelink Sdn Bhd	Malaysia	Operation of food and beverage businesses	**100**	100	**-**	-
Parkson Trends Sdn Bhd	Malaysia	Ceased operation	**100**	100	**-**	-
Subsidiary of Parkson Vietnam Co Ltd						
Parkson Vietnam Management Services Co Ltd [f]	Vietnam	Dormant	**100**	100	**-**	-
Subsidiary of Parkson Cambodia Holdings Co Ltd						
Parkson (Cambodia) Co Ltd **	Cambodia	Dormant	**100**	100	**-**	-
Subsidiary of Parkson Myanmar Co Pte Ltd						
Parkson Myanmar Investment Company Pte Ltd [f]	Singapore	Investment holding	**70**	70	**30**	30

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	% of ownership interest held by the Group * 2022	% of ownership interest held by non-controlling interests * 2023	% of ownership interest held by non-controlling interests * 2022
Subsidiaries of Parkson Myanmar Investment Company Pte Ltd						
Parkson Myanmar Asia Pte Ltd [f] (Dissolved on 6.4.2023)	Singapore	Dormant	**-**	100	**-**	-
Myanmar Parkson Company Limited **	Myanmar	Dormant	**100**	100	**-**	-
Subsidiary of Parkson TSN Holdings Co Ltd						
Parkson HBT Properties Co Ltd **	Vietnam	Real estate consulting and management services	**100**	100	**-**	-
Subsidiaries of Dyna Puncak Sdn Bhd						
Idaman Erajuta Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
Magna Rimbun Sdn Bhd	Malaysia	Investment holding	**100**	100	**-**	-
True Excel Investments Limited **	British Virgin Islands	Investment holding	**100**	100	**-**	-
Subsidiary of Idaman Erajuta Sdn Bhd						
Festival City Sdn Bhd	Malaysia	Operation of department stores and property management	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022	% of ownership interest held by non-controlling interests * 2023	2022
Subsidiary of Magna Rimbun Sdn Bhd						
Megan Mastika Sdn Bhd	Malaysia	Property management and investment holding	**100**	100	**-**	-
Subsidiary of Megan Mastika Sdn Bhd						
Dimensi Andaman Sdn Bhd [f]	Malaysia	Investment holding, property development and project management	**100**	100	**-**	-
Subsidiary of True Excel Investments Limited						
True Excel Investments (Cambodia) Co Ltd **	Cambodia	Investment holding	**100**	100	**-**	-
Subsidiary of Gema Binari Sdn Bhd						
Parkson Branding Sdn Bhd	Malaysia	Distribution and retailing of fashionable goods	**100**	100	**-**	-
Subsidiary of Prestasi Serimas Sdn Bhd						
Ombrello Resources Sdn Bhd [f]	Malaysia	Ceased operation	**100**	100	**-**	-

15. Interests in subsidiaries (cont'd.)

All the companies are audited by Grant Thornton Malaysia PLT except for those marked (+) which the company or group companies are audited by a member firm of Grant Thornton International in the respective countries, and those marked (ƒ) which are audited by other firms.

* Equals to the proportion of voting rights held.

** The financial statements are examined for the purpose of consolidation.

*1 Held by East Crest International Limited.

*2 Held by Parkson Investment Pte Ltd.

*3 Held by Huge Return Investment Limited.

*4 Held by Parkson Retail Development Co Ltd.

*5 Held by Shanghai Hongqiao Parkson Development Co Ltd.

*6 Held by Creation (Hong Kong) Investment & Development Limited.

*7 Held by Parkson Investment Holdings Co Ltd.

*8 Held by Xi'an Lucky King Parkson Plaza Co Ltd.

*9 Held by Nanning Brilliant Parkson Commercial Co Ltd.

*10 Held by Hanmen Holdings Limited.

*11 Held by Centro Retail Pte Ltd.

*12 Held by Parkson Myanmar Co Pte Ltd.

^ Subsidiaries which were newly incorporated during the financial year.

β Listed on the Singapore Exchange Securities Trading Limited.

@ Listed on The Stock Exchange of Hong Kong Limited.

15. Interests in subsidiaries (cont'd.)

Impairment tests for interests in subsidiaries

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

	2023	2022
	%	%
CGU		
Malaysia	**10.7**	7.8
PRC	**11.0**	10.5

Key assumptions used in VIU calculations

The calculation of VIU for the CGUs are most sensitive to the assumptions made for revenue, gross margins, operating expenses, growth rates and discount rates as disclosed in Note 11(v).

Sensitivity to changes in assumptions

With regard to the assessment of VIU of the respective CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value, including interests in subsidiaries, of the unit to materially exceed its recoverable amount.

(a) Deconsolidation of subsidiaries

Parkson Vietnam Co Ltd ("Parkson Vietnam"), an indirect wholly-owned subsidiary of PRA which is in turn a 67.96% owned subsidiary of the Company, had on 28 April 2023 filed for voluntary bankruptcy ("Application") with the People’s Court of Ho Chi Minh City, Vietnam ("Court") on the grounds that Parkson Vietnam is insolvent and is unable to continue with the business to pay its liabilities owing to creditors.

As of the date of this report, the occurrence of events following the Application are as follows:

- On 2 June 2023, Parkson Vietnam received civil case from a landlord for amount owing of VND151 billion (equivalent to approximately RM28,575,000) in relation to the leased premises at Saigon Tourist Plaza.
- On 8 August 2023, the Court applied temporary emergency measures to freeze two bank accounts of Parkson Vietnam.
- On 6 November 2023, the Court accepted the Application.
- On 27 November 2023, the Court had temporary suspended the civil case in relation to the leased premises at Saigon Tourist Plaza.
- On 5 January 2024, the Court had temporary suspended the civil case in relation to the leased premises in Danang, Vietnam.

15. Interests in subsidiaries (cont'd.)

(a) Deconsolidation of subsidiaries (cont'd.)

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

The directors of the Group believed that in so far it relates to Parkson Vietnam, the decisions regarding the daily financial and operating policies are now directed for the benefit of the creditors, and the directors of the Group are restricted from making any significant financial decisions without the approval of the Court. The pre-bankruptcy shareholders' voting interests are expected to be diluted (thereby resulting in the parent ultimately losing control) upon exiting from bankruptcy. While the Group's management may remain in place during the pre-bankruptcy proceedings, management must now seek approval from the Court to make any significant decisions.

In the opinion of the directors of the Group, the Group had lost its practical ability to affect returns through its power over Parkson Vietnam effective 8 August 2023 and consequently had ceased to consolidate Parkson Vietnam and its wholly-owned subsidiary, Parkson Vietnam Management Services Co Ltd. The results were presented under discontinued operations (Note 33) on the premise that the operating results of Parkson Vietnam represented a separate geographical area of operations reported in the Group's financial statements.

The gain on deconsolidation of subsidiaries is presented within "Discontinued Operations" as disclosed in Note 33.

The details of assets/(liabilities) derecognised arising from the deconsolidation and the effects on the Group's financial results are as follows:

	Group 2023 RM'000
Intangible assets	**38**
Receivables	**5,701**
Cash and cash equivalents	**209**
Payables	**(44,839)**
Lease liabilities	**(11,092)**
Net liabilities deconsolidated	**(49,983)**
Gain on deconsolidation of subsidiaries	**35,065**
Realisation of exchange fluctuation reserves	**14,918**
	-
Cash and cash equivalents of subsidiaries, representing net cash outflow on deconsolidation of subsidiaries	**(209)**

15. Interests in subsidiaries (cont'd.)

(b) Disposal of equity interest in a subsidiary

In the previous financial year ended 31 December 2022, Shanghai Delight Food & Beverage Management Co Ltd ("Shanghai Delight F&B"), an indirect wholly-owned subsidiary of PRGL which is in turn a 54.97% owned subsidiary of the Company, completed the disposal of its entire equity interest in Shanghai Delight Food Co Ltd ("Shanghai Delight Food") for a consideration of Rmb2,400,000 (equivalent to approximately RM1,591,000) ("Disposal of Shanghai Delight Food").

Following the completion of the Disposal of Shanghai Delight Food, Shanghai Delight Food ceased to be a subsidiary of Shanghai Delight F&B and of the Company.

The disposal had the following effects on the Group's financial results and position for the financial year ended 31 December 2022:

	Group 2022 RM'000
Property, plant and equipment	903
Right-of-use assets	5,075
Deferred tax assets	267
Receivables	600
Cash and cash equivalents	22
Lease liabilities	(6,145)
Net assets disposed	722
Disposal consideration	1,591
Net assets disposed	(722)
Gain on disposal of a subsidiary	869
Disposal consideration	1,591
Cash and cash equivalents of subsidiary disposed	(22)
Consideration received in the financial period ended 31 December 2021	(1,485)
Net cash inflow of the Group	84

15. Interests in subsidiaries (cont'd.)

(c) Material non-controlling interests

Financial information of subsidiaries which have non-controlling interests that are material to the Group is set out below.

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2023 %	2022 %
PRA	Singapore	**32.0**	32.0
PRGL	Cayman Islands	**45.0**	45.0

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

	Group 2023 RM'000	Group 2022 RM'000 (Restated)
Accumulated net assets/(liabilities) balances of non-controlling interests:		
PRA	**11,655**	(18,091)
PRGL	**970,516**	949,690
Total	**982,171**	931,599
Profit/(loss) allocated to non-controlling interests:		
PRA	**27,385**	29,340
PRGL	**20,729**	(111,918)
Total	**48,114**	(82,578)

15. Interests in subsidiaries (cont'd.)

(c) Material non-controlling interests (cont'd.)

Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group is set out below. The summarised financial information below is the amount before inter-company elimination.

	PRA		PRGL	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
				(Restated)
(i) Summarised statements of financial position				
Non-current assets	**549,706**	690,971	**5,219,145**	5,427,967
Current assets	**477,417**	472,346	**1,960,049**	1,904,264
Non-current liabilities	**(421,130)**	(552,293)	**(3,175,935)**	(3,424,914)
Current liabilities	**(568,944)**	(666,788)	**(1,835,238)**	(1,780,350)
Non-controlling interests	**317**	331	**(46,630)**	(43,555)
Total equity	**37,366**	(55,433)	**2,121,391**	2,083,412
Attributable to non-controlling interests	**11,655**	(18,091)	**970,516**	949,690
(ii) Summarised statements of profit or loss				
Revenue	**756,279**	745,112	**2,344,345**	2,152,987
Profit/(loss) for the financial year	**85,546**	91,665	**38,749**	(254,827)
Attributable to non-controlling interests	**27,385**	29,340	**20,729**	(111,918)
Dividends paid to non-controlling interests	**-**	-	**(8,129)**	(1,357)

15. Interests in subsidiaries (cont'd.)

(c) Material non-controlling interests (cont'd.)

Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group is set out below. The summarised financial information below is the amount before inter-company elimination. (cont'd.)

	PRA		PRGL	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
				(Restated)
(iii) Summarised statements of other comprehensive income				
Other comprehensive income/(loss) attributable to non-controlling interests:				
- Change in fair value of financial assets	**13**	12	**-**	-
- Foreign currency translation	**2,349**	992	**8,225**	(92,748)
(iv) Summarised statements of cash flows				
Operating activities	**185,236**	326,583	**655,750**	86,049
Investing activities	**10,080**	10,739	**151,586**	493,692
Financing activities	**(192,935)**	(205,052)	**(662,340)**	(235,077)
Net increase in cash and cash equivalents	**2,381**	132,270	**144,996**	344,664

16. Investments in associates

	Group 2023 RM'000	Group 2022 RM'000
Unquoted shares in Malaysia, at cost	**10,987**	10,987
Unquoted shares outside Malaysia, at cost	**24,412**	24,412
Share of post-acquisition profits and other comprehensive income, net of dividends received	**8,986**	2,888
Less: Accumulated impairment loss	**(10,987)**	(10,987)
	33,398	27,300
Accumulated impairment loss:		
At beginning/end of the financial year	**10,987**	10,987

Details of associates are as follows:

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022
Shanghai Nine Sea Lion Properties Management Co Ltd ("Shanghai Nine Sea") &	People's Republic of China	Property management and real estates services	**35**	35
Parkson Hanoi Co Ltd &	Vietnam	Dormant	**42**	42
Parkson Newcore Retail Shanghai Ltd ("Parkson Newcore") #	People's Republic of China	Operation of outlet stores	**49**	49
Habitat Blue Sdn Bhd &	Malaysia	Ceased operation	**40**	40

16. Investments in associates (cont'd.)

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022
AUM Hospitality Sdn Bhd (Under court liquidation)	Malaysia	Investment holding and provision of management services	**20**	20

* Equals to the proportion of voting rights held.

Audited by a member firm of Grant Thornton International.

& Audited by a firm other than Grant Thornton Malaysia PLT.

All the investments in associates are accounted for using the equity method.

Impairment loss on an associate is recognised to reduce the carrying value of the investment to the estimated recoverable amount.

16. Investments in associates (cont'd.)

Summarised financial information of the Group's material associates and Group's share of results of associates, are set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

	Parkson Newcore RM'000	Shanghai Nine Sea RM'000	Total material associates RM'000
2023			
(i) Summarised statements of financial position			
Non-current assets	**187,656**	**20**	**187,676**
Current assets	**128,201**	**8,084**	**136,285**
Total assets	**315,857**	**8,104**	**323,961**
Non-current liabilities	**111,598**	**-**	**111,598**
Current liabilities	**139,435**	**3,436**	**142,871**
Total liabilities	**251,033**	**3,436**	**254,469**
Net assets	**64,824**	**4,668**	**69,492**
(ii) Summarised statements of profit or loss			
Revenue	**565,756**	**20,520**	**586,276**
Profit for the financial year	**16,472**	**397**	**16,869**
(iii) Dividend received from associates	**(2,677)**	**(57)**	**(2,734)**
(iv) Group's share of net assets, representing carrying amount of Group's interest in associates	**31,764**	**1,634**	**33,398**
(v) Group's share of results of associates	**8,071**	**139**	**8,210**

16. Investments in associates (cont'd.)

Summarised financial information of the Group's material associates and Group's share of results of associates, are set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts. (cont'd.)

	Parkson Newcore RM'000	Shanghai Nine Sea RM'000	Total material associates RM'000
2022			
(i) Summarised statements of financial position			
Non-current assets	166,737	30	166,767
Current assets	138,330	8,747	147,077
Total assets	305,067	8,777	313,844
Non-current liabilities	147,033	-	147,033
Current liabilities	105,419	4,439	109,858
Total liabilities	252,452	4,439	256,891
Net assets	52,615	4,338	56,953
(ii) Summarised statements of profit or loss			
Revenue	427,722	18,580	446,302
(Loss)/profit for the financial year	(2,178)	188	(1,990)
(iii) Dividend received from associates	(3,936)	(85)	(4,021)
(iv) Group's share of net assets, representing carrying amount of Group's interest in associates	25,782	1,518	27,300
(v) Group's share of results of associates	(1,067)	66	(1,001)

16. Investments in associates (cont'd.)

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

	Group 2023 RM'000	Group 2022 RM'000
Loss for the financial year	**-**	(2,027)
Group's share of current years' unrecognised loss	**-**	(811)
Group's cumulative share of unrecognised loss	**(2,374)**	(5,054)

The Group has not recognised loss arising from these other individually non-material associates when its share of losses exceeds the Group's interest in the associates.

17. Investments in joint ventures

	Group 2023 RM'000	Group 2022 RM'000
Unquoted shares in Malaysia, at cost	**	3,000
Unquoted shares outside Malaysia, at cost	**-**	4,675
Share of post-acquisition profits and other comprehensive income, net of dividends received	**-**	2,272
Less: Accumulated impairment loss	**-**	(1,750)
	**	8,197
Accumulated impairment loss:		
At beginning of the financial year	**1,750**	7,741
Written off	**(1,750)**	-
Reclassification to non-current assets classified as held for sale	**-**	(5,991)
At end of the financial year	**-**	1,750

** Represent RM3

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

Details of joint ventures are as follows:

Name	Country of incorporation/ principal place of business	Principal activities	% of ownership interest held by the Group * 2023	2022
Xinjiang Youhao Parkson Development Co Ltd ("Xinjiang Youhao") ^ (Dissolved on 31.8.2023)	People's Republic of China	Operation of department stores	**-**	51
Marlow House Asia Limited &	British Virgin Islands	Investment holding	**50**	50
Valino International Apparel Sdn Bhd (Dissolved on 26.4.2023)	Malaysia	Ceased operation	**-**	50
Watatime group of companies (i) & :				
Watatime Marketing Sdn Bhd	Malaysia	Wholesaling of watches	**50**	50
J. Bovier Time (M) Sdn Bhd	Malaysia	Retailing of watches	**50**	50
Watatime (Subang) Sdn Bhd	Malaysia	Retailing of watches	**50**	50
Watatime (M) Sdn Bhd	Malaysia	Retailing of watches	**50**	50
Watatime Group Sdn Bhd	Malaysia	Dormant	**50**	50
The Timepiece Repair Specialist Sdn Bhd	Malaysia	Retailing of watches	**50**	50
Wata Time (S) Pte Ltd	Singapore	Dormant	**50**	50

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

* The Group has voting rights of all its joint ventures under the contractual arrangements, unanimous consent is required from all parties to the agreements for all relevant activities.

^ Although the Group has ownership indirectly through subsidiary of more than half of the voting power of the subject entity, the joint venture agreement established joint control over the subject entity. The joint venture agreement ensures that no single venturer is in a position to control the activities of the entity unilaterally. The entity forms part of the PRGL group of companies, which is audited by a member firm of Grant Thornton International.

& Audited by a firm other than Grant Thornton Malaysia PLT.

(i) On 21 July 2022, Corporate Code Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement to dispose of its entire equity interests in the Watatime group of companies for a total consideration of approximately RM9 ("Watatime Disposal"). The completion of the Watatime Disposal shall be subject to and conditional upon the conditions precedent being fulfilled.

The Group's investments in the Watatime group of companies were reclassified as non-current assets classified as held for sale as at 31 December 2023 and 31 December 2022 as disclosed in Note 34(iii).

All the investments in joint ventures are accounted for using the equity method.

Impairment loss on a joint venture is recognised to reduce the carrying value of the investment to the estimated recoverable amount.

All the joint ventures have the same reporting period as the Group except for Watatime group of companies which is 30 June. For the purpose of applying the equity method of accounting for joint ventures, the last audited financial statements available and the management financial statements as at end of the accounting period of the joint ventures were used.

There are no material contingent liability and capital commitment relating to joint ventures as at 31 December 2023 and 31 December 2022.

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

Summarised financial information of the Group's material joint venture, Xinjiang Youhao, and Group's share of results of the joint venture, are set out below. The summarised financial information represents the amounts in the financial statements of the joint venture and not the Group's share of those amounts.

	Group 2023 RM'000	Group 2022 RM'000
(i) Summarised statements of financial position		
Non-current assets	**-**	3,133
Current assets	**-**	34,631
Total assets	**-**	37,764
Non-current liabilities	**-**	1,024
Current liabilities	**-**	20,667
Total liabilities	**-**	21,691
Net assets	**-**	16,073
(ii) Summarised statements of profit or loss		
Revenue	**-**	367
Profit/(loss) for the financial year	**14,059**	(2,204)
(iii) Dividend received from joint venture	**(15,573)**	-
(iv) Group's share of net assets, representing carrying amount of Group's interest in joint venture	**-**	8,197
(v) Group's share of results of joint venture	**7,170**	(1,124)

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

	Group 2023 RM'000	Group 2022 RM'000
Loss for the financial year	**(9)**	(9)

The Group has not recognised loss arising from these other individually non-material joint ventures when its share of losses exceeds the Group's interest in the joint ventures.

18. Deferred tax assets/(liabilities)

	Group 2023 RM'000	Group 2022 RM'000 (Restated)
At beginning of the financial year	**11,363**	(38,056)
Recognised in profit or loss (Note 9)	**26,935**	52,985
Disposal of a subsidiary	**-**	(267)
Exchange differences	**(376)**	(3,299)
At end of the financial year	**37,922**	11,363
Presented after appropriate offsetting as follows:		
Deferred tax assets	**184,537**	187,266
Deferred tax liabilities	**(146,615)**	(175,903)
	37,922	11,363

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Unabsorbed capital allowances RM'000	Unused tax losses RM'000	Right-of-use assets and lease liabilities RM'000	Others RM'000	Total RM'000
At 1 January 2023	**2,978**	**54,743**	**126,124**	**3,421**	**187,266**
Recognised in profit or loss	**(194)**	**(14,550)**	**6,190**	**2,149**	**(6,405)**
Exchange differences	**7**	**1,117**	**2,469**	**83**	**3,676**
At 31 December 2023	**2,791**	**41,310**	**134,783**	**5,653**	**184,537**
At 1 January 2022 (Restated)	3,136	40,535	124,140	3,797	171,608
Recognised in profit or loss	(152)	16,097	8,381	(252)	24,074
Disposal of a subsidiary	-	-	(267)	-	(267)
Exchange differences	(6)	(1,889)	(6,130)	(124)	(8,149)
At 31 December 2022 (Restated)	2,978	54,743	126,124	3,421	187,266

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

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Asset revaluation RM'000	Right-of-use assets RM'000	Withholding taxes RM'000	Total RM'000
At 1 January 2023	**(1,278)**	**(117,326)**	**(49,754)**	**(7,545)**	**(175,903)**
Recognised in profit or loss	**1,289**	**15,040**	**16,297**	**714**	**33,340**
Exchange differences	**(22)**	**(2,855)**	**(1,002)**	**(173)**	**(4,052)**
At 31 December 2023	**(11)**	**(105,141)**	**(34,459)**	**(7,004)**	**(146,615)**
At 1 January 2022 (Restated)	(2,957)	(125,661)	(73,140)	(7,906)	(209,664)
Recognised in profit or loss	1,628	3,336	23,386	561	28,911
Exchange differences	51	4,999	-	(200)	4,850
At 31 December 2022 (Restated)	(1,278)	(117,326)	(49,754)	(7,545)	(175,903)

Deferred tax assets have not been recognised in respect of the following items:

	Group 2023 RM'000	Group 2022 RM'000
Unused tax losses	**929,093**	950,580
Unabsorbed capital allowances	**24,935**	28,411
Other temporary differences	**20,602**	28,962
	974,630	1,007,953
Deferred tax at respective jurisdiction's applicable tax rate, if recognised	**241,064**	248,995

The availability of unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the subsidiaries is subject to approval from the tax authority of the country in which the losses originate.

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

Deferred tax assets have not been recognised in respect of the unused tax losses and unabsorbed capital allowances as it is not probable that taxable profit will be available against which the unused tax losses and unabsorbed capital allowances can be utilised, considering that the relevant subsidiaries have been incurring losses and there are no other tax planning opportunities or other evidence of recoverability in the near future.

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

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

19. Amounts due from subsidiaries

	Company	
	2023	**2022**
	RM'000	**RM'000**
Non-current		
Amounts due from subsidiaries	**2,911**	32,562
Less: Allowance for expected credit loss ("ECL")	**(2,890)**	(32,544)
	21	18
Current		
Amounts due from subsidiaries	**5,041**	5,227
Less: Allowance for ECL	**(1,538)**	(1,538)
	3,503	3,689
Total amounts due from subsidiaries	**3,524**	3,707

19. Amounts due from subsidiaries (cont'd.)

	Company	
	2023	**2022**
	RM'000	**RM'000**
Movement in allowance for ECL:		
At beginning of the financial year	**34,082**	52,207
Charge for the financial year	**-**	97
Reversal during the financial year	**(29,654)**	(18,127)
Written off during the financial year	**-**	(95)
At end of the financial year	**4,428**	34,082

The non-current portion of the amounts due from subsidiaries represents the amount which the Company does not intend to demand repayment within 12 months from the reporting date. The current portion of the amounts due from subsidiaries is unsecured, non-interest bearing and repayable on demand.

As at 31 December 2022, an amount of RM32,240,000 bore interest at 3% per annum. The subsidiary had fully repaid the outstanding amount during the financial year ended 31 December 2023.

20. Trade and other receivables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current				
Trade receivables (i)				
Third parties	**258,209**	161,158	**-**	-
Less: Allowance for ECL	**(5,109)**	(3,370)	**-**	-
Trade receivables, net	**253,100**	157,788	**-**	-

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

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Current				
Trade receivables [(i)]				
Third parties	**215,307**	162,255	**-**	-
Less: Allowance for ECL	**(6,325)**	(3,930)	**-**	-
Trade receivables, net	**208,982**	158,325	**-**	-
Other receivables				
Sundry receivables [(ii)]	**203,469**	162,942	**2**	2
Less: Allowance for ECL	**(20,325)**	(33,025)	**-**	-
	183,144	129,917	**2**	2
Prepayments	**31,948**	41,879	**-**	-
Less: Allowance for ECL	**(12,716)**	(12,449)	**-**	-
	19,232	29,430	**-**	-
Deposits [(iii)]	**88,295**	119,903	**12**	12
Less: Allowance for ECL	**(21,520)**	(52,635)	**-**	-
	66,775	67,268	**12**	12
Amounts due from associates and joint ventures [(iv)]	**7,810**	27,567	**-**	-
Less: Allowance for ECL	**(7,810)**	(27,567)	**-**	-
	-	-	**-**	-
Amounts due from related parties [(v)]	**221**	446	**113**	113
Less: Allowance for ECL	**(113)**	-	**(113)**	-
	108	446	**-**	113
Lease prepayments	**53,727**	28,360	**-**	-
Lease receivables from subleases (Note 21)	**67,094**	66,339	**-**	-
Other receivables, net	**390,080**	321,760	**14**	127
Total current trade and other receivables	**599,062**	480,085	**14**	127

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Trade and other receivables (as above)				
- non-current	**253,100**	157,788	**-**	-
- current	**599,062**	480,085	**14**	127
Total trade and other receivables	**852,162**	637,873	**14**	127
Add: Deposits, cash and bank balances (Note 23)	**1,494,844**	1,306,069	**952**	3,461
Add: Lease deposits and other deposits	**151,462**	155,701	**-**	-
Add: Long term lease receivables from subleases (Note 21)	**91,062**	217,330	**-**	-
Add: Amounts due from subsidiaries (Note 19)	**-**	-	**3,524**	3,707
Less: Prepayments	**(19,232)**	(29,430)	**-**	-
Less: Lease prepayments	**(53,727)**	(28,360)	**-**	-
Total financial assets carried at amortised cost	**2,516,571**	2,259,183	**4,490**	7,295

(i) Trade receivables

Included in trade receivables are loan receivables from credit services segment of RM383,036,000 (2022: RM256,312,000).

(ii) Sundry receivables

Sundry receivables comprise the following:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Advances to suppliers	**16,864**	12,110	**-**	-
Operating lease receivables	**108,796**	59,482	**-**	-
Accrued interest on deposits	**3,267**	1,110	**-**	-
Others	**74,542**	90,240	**2**	2
	203,469	162,942	**2**	2

Sundry receivables are non-interest bearing with average credit terms ranging from 1 to 90 days (2022: 1 to 90 days).

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

(iii) Deposits

Included in deposits as at 31 December 2022 were amounts of RM31,990,000 paid by Parkson Vietnam Co Ltd ("Parkson Vietnam") to the individual owners of two Vietnamese companies as well as to one of these Vietnamese companies for the purpose of acquiring the share capital of these two Vietnamese companies. These deposits were non-interest bearing and were secured by collateral over the charter capital of the respective companies and assets created with such amounts provided and had been fully impaired in the previous financial years. These amounts were derecognised upon the deconsolidation of Parkson Vietnam during the financial year ended 31 December 2023.

(iv) Amounts due from associates and joint ventures

Included in amounts due from associates and joint ventures as at 31 December 2023 are loans and related interest receivables due from a joint venture, Watatime (M) Sdn Bhd, of RM2,000,000 (2022: RM3,000,000) which certain principal amounts bear interest of 7% per annum.

The amounts as at 31 December 2022 included an amount due from an associate, Parkson Hanoi Co Ltd, of RM19,267,000 which was unsecured, non-interest bearing and repayable upon demand. The amount was derecognised upon the deconsolidation of Parkson Vietnam during the financial year ended 31 December 2023.

(v) Amounts due from related parties

The amounts due from related parties are unsecured, interest free and repayable upon demand.

The relationship of the related parties with the Group and the Company are further disclosed in Note 35.

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

Trade receivables

Trade receivables consist of mainly financing receivables relating to the Group's provision of financing facilities based on Islamic principles. Other trade receivables have credit terms ranging from payment in advance to 30 days (2022: payment in advance to 30 days).

Other information on financial risks of trade and other receivables are disclosed in Note 39.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Within 1 year	**208,982**	158,325
1 to 2 years	**111,569**	81,042
Over 2 years	**141,531**	76,746
	462,082	316,113

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

Trade receivables that are neither past due nor impaired

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

Trade receivables that are past due but not impaired

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

Trade receivables that are impaired

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

Set out below is the information about the credit risk exposure on the Group's trade receivables as at 31 December 2023 and 31 December 2022:

	← Credit services		→	Others	
	12-month ECLs	← Lifetime ECLs	→	Simplified	
	Stage 1	Stage 2	Stage 3	approach	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	382	1,316	4,300	1,999	7,997
Charge for the financial year	-	-	4,835	230	5,065
Reversal of impairment loss	(187)	(73)	-	(118)	(378)
Written off	-	-	(4,751)	(315)	(5,066)
Exchange differences	(7)	(43)	(297)	29	(318)
At 31 December 2022 and 1 January 2023	**188**	**1,200**	**4,087**	**1,825**	**7,300**
Charge for the financial year	**106**	**1,158**	**11,777**	**378**	**13,419**
Reversal of impairment loss	**-**	**-**	**-**	**(17)**	**(17)**
Written off	**-**	**(3)**	**(8,173)**	**(512)**	**(8,688)**
Deconsolidation of subsidiaries	**-**	**-**	**-**	**(818)**	**(818)**
Exchange differences	**4**	**31**	**137**	**66**	**238**
At 31 December 2023	**298**	**2,386**	**7,828**	**922**	**11,434**

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

Other receivables that are impaired

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

	Group	
	2023	2022
	RM'000	RM'000
Sundry receivables - nominal amounts	**20,325**	33,025
Less: Allowance for ECL	**(20,325)**	(33,025)
	-	-
Prepayments - nominal amounts	**12,716**	12,449
Less: Allowance for ECL	**(12,716)**	(12,449)
	-	-
Deposits - nominal amounts	**21,520**	52,635
Less: Allowance for ECL	**(21,520)**	(52,635)
	-	-
Amounts due from associates and joint ventures		
- nominal amounts	**7,810**	27,567
Less: Allowance for ECL	**(7,810)**	(27,567)
	-	-
Amounts due from related parties - nominal amounts	**113**	-
Less: Allowance for ECL	**(113)**	-
	-	-

	Company	
	2023	2022
	RM'000	RM'000
Amounts due from related parties - nominal amounts	**113**	-
Less: Allowance for ECL	**(113)**	-
	-	-

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

Movement in allowance for ECL:

Group	Trade receivables RM'000	Sundry receivables RM'000	Prepayments RM'000	Deposits RM'000	Amounts due from associates and joint ventures RM'000	Amounts due from related parties RM'000	Total RM'000
At 1 January 2022	7,997	31,234	12,892	50,779	36,119	-	139,021
Charge for the financial year	5,065	1,328	-	-	-	-	6,393
Reversal of impairment loss	(378)	(466)	-	-	(2,000)	-	(2,844)
Written off	(5,066)	-	-	-	(7,793)	-	(12,859)
Exchange differences	(318)	929	(443)	1,856	1,241	-	3,265
At 31 December 2022 and 1 January 2023	**7,300**	**33,025**	**12,449**	**52,635**	**27,567**	**-**	**132,976**
Charge for the financial year	**13,419**	**5,898**	**-**	**8,118**	**510**	**113**	**28,058**
Reversal of impairment loss	**(17)**	**-**	**-**	**-**	**(1,000)**	**-**	**(1,017)**
Written off	**(8,688)**	**-**	**-**	**-**	**-**	**-**	**(8,688)**
Deconsolidation of subsidiaries	**(818)**	**(19,435)**	**-**	**(41,905)**	**(19,557)**	**-**	**(81,715)**
Exchange differences	**238**	**837**	**267**	**2,672**	**290**	**-**	**4,304**
At 31 December 2023	**11,434**	**20,325**	**12,716**	**21,520**	**7,810**	**113**	**73,918**

21. Other receivables

	Group 2023 RM'000	Group 2022 RM'000
Non-current		
Lease and other prepayments (i)	**80**	35,090
Lease deposits	**83,063**	90,279
Lease receivables from subleases (ii)	**91,062**	217,330
Other deposit (iii)	**68,399**	65,422
	242,604	408,121
Less: Allowance for ECL	**(14,748)**	(14,323)
	227,856	393,798

Movement in allowance for ECL:

	Group 2023 RM'000	Group 2022 RM'000
At beginning of the financial year	**14,323**	7,564
Charge for the financial year	**-**	6,599
Exchange differences	**425**	160
At end of the financial year	**14,748**	14,323

(i) This represents mainly the long term portion of the prepaid lease rental paid to lessors.

(ii) This represents lease income receivables by the Group as intermediate lessor. The carrying amount and the movement of lease receivables from subleases are as follows:

	Group 2023 RM'000	Group 2022 RM'000
At beginning of the financial year	**283,669**	304,511
Addition arising from new leases	**22,642**	26,563
Accretion of interest recognised during the financial year	**19,219**	25,474
Decrease arising from lease term modification	**(3,099)**	(4,884)
Proceeds from subleases	**(82,757)**	(63,788)
Loss on termination of subleases (Note 33)	**(97,046)**	-
Exchange differences	**15,528**	(4,207)
At end of the financial year	**158,156**	283,669
Disclosed as:		
Current (Note 20)	**67,094**	66,339
Non-current	**91,062**	217,330
	158,156	283,669

(iii) Other deposit represents an amount of US$14,884,000 (2022: US$14,884,000) paid for the proposed lease and acquisition of a retail mall in Cambodia.

22. Investment securities

	Group 2023 RM'000	2022 RM'000
Non-current		
Financial assets at fair value through other comprehensive income ("FVOCI"):		
- Unquoted equity securities (i)	**1,568**	17,504
Current		
Financial assets at fair value through profit or loss ("FVPL"):		
- Wealth management products (ii)	**37,159**	68,477
Total investment securities	**38,727**	85,981

(i) This amount included investments in Lion Insurance Company Limited and Lion Group Management Services Sdn Bhd, related parties of the Group.

(ii) The wealth management products are managed by licensed financial institutions in the PRC to invest principally in certain financial assets including bonds, trusts, cash funds, bond funds or unlisted equity investment issued and are circulated in the PRC in accordance with the related entrusted agreements. The wealth management products are measured at fair value, which are disclosed in Note 38(a).

23. Deposits, cash and bank balances

	Group 2023 RM'000	2022 RM'000
Non-current		
Time deposits, representing total non-current deposits, cash and bank balances	**17,567**	15,869

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

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current				
Deposits, cash and bank balances:				
Cash on hand and at banks				
- Malaysia	**44,847**	22,129	**822**	1,371
- Foreign	**781,637**	747,111	**130**	90
Restricted - Foreign	**64,703**	-	**-**	-
Deposits with:				
Licensed banks				
- Malaysia	**154,070**	127,982	**-**	2,000
- Foreign	**272,020**	212,978	**-**	-
Licensed finance companies in Malaysia	**160,000**	180,000	**-**	-
Total current deposits, cash and bank balances	**1,477,277**	1,290,200	**952**	3,461
Deposits, cash and bank balances (as above)				
- non-current	**17,567**	15,869	**-**	-
- current	**1,477,277**	1,290,200	**952**	3,461
Total deposits, cash and bank balances	**1,494,844**	1,306,069	**952**	3,461
Less:				
Time deposits with original maturity of more than three months when acquired	**(10,761)**	(1,652)	**-**	-
Pledged deposits	**(51,101)**	(51,255)	**-**	-
Bank overdrafts (Note 27)	**(731)**	(1,445)	**-**	-
Restricted bank balance	**-**	(449)	**-**	-
Cash and cash equivalents	**1,432,251**	1,251,268	**952**	3,461

As at 31 December 2023, deposits with licensed banks and time deposits of the Group amounting to a total of RM33,599,000 (2022: RM31,046,000) are pledged with financial institutions for banking facilities extended to the Group as disclosed in Note 27. In addition, the Group has pledged deposits of RM17,502,000 (2022: RM20,209,000) held in designated bank accounts for performance guarantees. Restricted bank balance of RM449,000 as at 31 December 2022 was excluded from cash and cash equivalents, representing the bank account being frozen arose from a legal suit against a subsidiary in Vietnam.

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

The deposits, cash and bank balances of the subsidiaries in the PRC which amounted to RM1,015,067,000 (2022: RM911,058,000) at the reporting date were denominated in Rmb which is not freely convertible in the international market. The remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

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

	Group	
	2023	**2022**
	%	**%**
Licensed banks	**3.6**	2.7
Licensed finance companies	**3.6**	3.3

Deposits of the Group have varying periods of between 1 day and 36 months (2022: 1 day and 36 months). Bank balances are deposits held at call with licensed banks.

24. Inventories

	Group	
	2023	**2022**
	RM'000	**RM'000**
At costs:		
Merchandise inventories	**355,115**	384,432
Consumables	**2,227**	2,399
Total	**357,342**	386,831

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM1,433,414,000 (2022: RM1,442,522,000).

The amount of inventories written down of RM190,000 (2022: RM656,000) was recognised in profit or loss during the financial year.

25. Share capital

Group/Company	Number of ordinary shares 2023 '000	2022 '000	Amount 2023 RM'000	2022 RM'000
Issued share capital:				
At beginning of the financial year	**1,148,902**	1,118,902	**2,160,580**	2,155,630
Issue of share capital	**-**	30,000	**-**	4,950
At end of the financial year	**1,148,902**	1,148,902	**2,160,580**	2,160,580

In the previous financial year ended 31 December 2022, the Company had, pursuant to the second tranche of the private placement, issued and allotted 30,000,000 new ordinary shares in the Company at RM0.165 per share for cash resulting in an increase in the issued share capital of the Company by RM4,950,000 from RM2,155,629,753 to RM2,160,579,753.

The new ordinary shares issued in the previous financial year ranked *pari passu* in all respects with the then existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

26. Other reserves

Group	Exchange fluctuation reserves RM'000	Asset revaluation reserve RM'000 (a)	Capital reserves RM'000 (b)	Merger deficit RM'000 (c)	Premium on acquisition of non-controlling interests RM'000	Fair value reserve of financial assets at FVOCI RM'000	Total RM'000
At 1 January 2023	**364,919**	**87,375**	**108,960**	**(2,071,102)**	**(3,843)**	**1,377**	**(1,512,314)**
Other comprehensive income/ (loss) for the financial year							
Foreign currency translation	20,187	3,419	3,952	-	-	40	27,598
Change in fair value of financial assets at fair value through other comprehensive income ("FVOCI")	-	-	-	-	-	(936)	(936)
Less: Non-controlling interests	(7,254)	(1,540)	(1,780)	-	-	(13)	(10,587)
	12,933	1,879	2,172	-	-	(909)	16,075
Transactions with owners							
Transfer from capital reserves, representing total transactions with owners	-	-	(3,473)	-	-	-	(3,473)
At 31 December 2023	**377,852**	**89,254**	**107,659**	**(2,071,102)**	**(3,843)**	**468**	**(1,499,712)**

26. Other reserves (cont'd.)

Group	Exchange fluctuation reserves RM'000	Asset revaluation reserve RM'000 (a)	Capital reserves RM'000 (b)	Merger deficit RM'000 (c)	Premium on acquisition of non-controlling interests RM'000	Fair value reserve of financial assets at FVOCI RM'000	Total RM'000
At 1 January 2022	459,949	90,484	114,213	(2,071,102)	(3,843)	1,177	(1,409,122)
Other comprehensive income/ (loss) for the financial year							
Foreign currency translation	(181,270)	(5,656)	(6,593)	-	-	37	(193,482)
Change in fair value of financial assets at FVOCI	-	-	-	-	-	175	175
Less: Non-controlling interests	86,240	2,547	2,969	-	-	(12)	91,744
	(95,030)	(3,109)	(3,624)	-	-	200	(101,563)
Transactions with owners							
Transfer from capital reserves, representing total transactions with owners	-	-	(1,629)	-	-	-	(1,629)
At 31 December 2022	364,919	87,375	108,960	(2,071,102)	(3,843)	1,377	(1,512,314)

26. Other reserves (cont'd.)

Company	Capital redemption reserve	
	2023	2022
	RM'000	RM'000
At beginning/end of the financial year	**2,905,831**	2,905,831

(a) Asset revaluation reserve

The asset revaluation reserve represents the fair value adjustments to the property, plant and equipment, investment properties and land use rights of Parkson Retail Development Co Ltd ("PRD") prior to the Group acquiring the remaining 44% equity interest in PRD in 2006.

(b) Capital reserves

The capital reserves are maintained by the Group's subsidiaries in the PRC in accordance with the regulations in that country and are not available for payment of dividend.

(c) Merger deficit

On 19 September 2007, the Group completed the acquisition of several companies in the retail business. The acquisition was satisfied by way of issuance of 3,799,730,000 new ordinary shares of the Company at an issue price of RM1.00 per share and RM500,000,000 nominal value 3-year 3.5% redeemable convertible secured loan stocks ("RCSLS") at 100% of its nominal value of RM1.00 each.

The difference between the fair value of the RCSLS of and shares in the Company issued as consideration and the nominal value of the shares acquired has been classified as merger deficit. The merger deficit was subsequently partially set off against capital redemption reserve of RM2,905,831,000 pursuant to a court approval dated 24 September 2007 granted to the Company. The RCSLS was fully converted in August 2010.

At each reporting date, the merger deficit will be reduced by transferring the Group's retained profits for the immediate preceding financial year after adjusting for proposed/declared dividend as at that date.

27. Loans and borrowings

	Group 2023 RM'000	2022 RM'000
Current		
Secured:		
Financial institutions		
Bank loans - HK$ denominated	**58,302**	56,122
Revolving financing	**45,897**	121,500
Bankers' acceptance	**5,865**	5,963
Bank overdrafts	**731**	1,443
Non-financial institutions		
Lenders from non-financial institutions	**124,072**	127,644
Unsecured:		
Term loan	**-**	4,376
Bank overdrafts	**-**	2
Total current loans and borrowings	**234,867**	317,050
Non-current		
Secured:		
Financial institutions		
Bank loans - HK$ denominated	**1,414,475**	1,421,800
Revolving financing	**90,603**	-
Total non-current loans and borrowings	**1,505,078**	1,421,800
Total loans and borrowings	**1,739,945**	1,738,850
Total loans and borrowings		
Bank loans	**1,472,777**	1,477,922
Revolving financing	**136,500**	121,500
Bankers' acceptance	**5,865**	5,963
Lenders from non-financial institutions	**124,072**	127,644
Term loan	**-**	4,376
Bank overdrafts	**731**	1,445
	1,739,945	1,738,850

27. Loans and borrowings (cont'd.)

	Group 2023 RM'000	Group 2022 RM'000
Maturity of loans and borrowings:		
Within one year	**234,867**	317,050
More than one year and less than two years	**1,505,078**	56,474
More than two years and less than five years	**-**	1,365,326
	1,739,945	1,738,850

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

	At 1.1.2023 RM'000	Proceeds RM'000	Repayment RM'000	Exchange differences RM'000	At 31.12.2023 RM'000
Bank loans	**1,477,922**	**-**	**(57,645)**	**52,500**	**1,472,777**
Revolving financing	**121,500**	**15,000**	**-**	**-**	**136,500**
Bankers' acceptance	**5,963**	**11,406**	**(11,583)**	**79**	**5,865**
Lenders from non-financial institutions	**127,644**	**-**	**(9,221)**	**5,649**	**124,072**
Term loan	**4,376**	**-**	**(4,601)**	**225**	**-**
Total	**1,737,405**	**26,406**	**(83,050)**	**58,453**	**1,739,214**

	At 1.1.2022 RM'000	Proceeds RM'000	Repayment RM'000	Exchange differences RM'000	At 31.12.2022 RM'000
Bank loans	1,153,341	1,379,859	(1,141,716)	86,438	1,477,922
Revolving financing	104,500	17,000	-	-	121,500
Bankers' acceptance	5,819	14,914	(14,770)	-	5,963
Lenders from non-financial institutions	120,882	-	-	6,762	127,644
Term loan	4,092	-	-	284	4,376
Total	1,388,634	1,411,773	(1,156,486)	93,484	1,737,405

27. Loans and borrowings (cont'd.)

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

	Group 2023 %	Group 2022 %
Bank loans	**7.1**	4.6
Revolving financing	**6.6**	6.2
Bankers' acceptance	**4.5**	3.4
Lenders from non-financial institutions	**14.0**	10.8
Term loan	**-**	7.0
Bank overdrafts	**6.4**	6.4

(i) As at 31 December 2023, bank loans of the Group denominated in HK$ are secured by property, plant and equipment, investment properties and land use rights with total net carrying amount of RM1,442,599,000 (2022: RM1,442,191,000).

(ii) As at 31 December 2023, revolving financing of the Group of RM136,500,000 (2022: RM121,500,000) is secured by trade receivables of RM134,230,000 (2022: RM112,346,000) and unrealised receivables of RM50,965,000 (2022: RM43,170,000) which will be due within 48 months.

(iii) As at 31 December 2023, bankers' acceptance, bank overdrafts and bank guarantee facilities of the Group are secured by deposits with licensed banks of RM33,599,000 (2022: RM31,046,000).

(iv) As at 31 December 2023, amounts due to lenders from non-financial institutions of RM78,124,000 (2022: RM74,723,000) and RM45,948,000 (2022: RM52,921,000) are secured by an investment property with a carrying amount of RM160,200,000 (2022: RM160,200,000), and 924,200,000 ordinary shares (2022: 924,200,000 ordinary shares) of HK$0.02 each in the capital of PRGL, respectively.

Subsequent to the financial year, the Group, as borrower, had on 15 March 2024 entered into a facility agreement with a syndicate of banks, as lenders, in relation to a syndicated loan facility in an aggregate amount of up to Rmb2,500,000,000 (equivalent to approximately RM1,614,500,000) ("Loan Facility") for a term of 36 months commencing from the first drawdown date. The Loan Facility is to refinance the Group's existing HK$ denominated bank loans.

28. Long term payables

	Group	
	2023	**2022**
	RM'000	**RM'000**
Rental deposits	**1,076**	5,390
Others	**-**	27
	1,076	5,417

Non-current rental deposits have maturity ranging from 2 to 13 years (2022: 2 to 13 years). The rental deposits are initially recognised at their fair values.

29. Provisions

	Group	
	2023	**2022**
	RM'000	**RM'000**
Non-current	**20,501**	17,217
Current	**4,173**	5,816
Total	**24,674**	23,033

These relate to provisions for restoration costs which represent the estimated cost of restoring leased space used in the principal activities of the Group. Provisions made are capitalised as part of the carrying amount of the Group's property, plant and equipment.

The movement in the provisions is as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
At beginning of the financial year	**23,033**	21,606
Arose during the financial year	**2,685**	2,073
Utilised during the financial year	**-**	(340)
Reversed during the financial year	**(1,692)**	(839)
Unwinding of discount	**890**	558
Exchange differences	**(242)**	(25)
At end of the financial year	**24,674**	23,033

30. Trade and other payables

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Current				
Trade and other payables:				
Trade payables (i)	**772,220**	682,611	**-**	-
Other payables (ii)	**300,540**	279,570	**-**	-
Deposits (iii)	**107,526**	193,795	**-**	-
Accruals	**99,245**	104,419	**1,166**	891
Total trade and other payables	**1,279,531**	1,260,395	**1,166**	891
Add:				
Loans and borrowings (Note 27)	**1,739,945**	1,738,850	**-**	-
Rental deposits (Note 28)	**1,076**	5,390	**-**	-
Amounts due to subsidiaries	**-**	-	**1,939**	4,837
Total financial liabilities carried at amortised cost	**3,020,552**	3,004,635	**3,105**	5,728

(i) Credit terms of trade payables granted to the Group vary from 30 to 90 days (2022: 30 to 90 days).

(ii) Other payables are normally settled on average terms of 30 to 90 days (2022: average terms of 30 to 90 days).

(iii) Amount as at 31 December 2022 included net deposits received by the Group of RM84,293,000 in relation to the Disposal of Properties as disclosed in Note 34(i).

Other information on financial risks of trade and other payables are disclosed in Note 39.

31. Contract liabilities

	Group 2023 RM'000	Group 2022 RM'000
Deferred revenue from:		
Gift cards/vouchers sold [(i)]	**405,623**	400,787
Customer loyalty award [(ii)]	**13,584**	13,518
	419,207	414,305

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

	Group 2023 RM'000	Group 2022 RM'000
At beginning of the financial year	**400,787**	404,362
Arose during the financial year	**426,016**	417,892
Revenue recognised during the financial year	**(428,087)**	(405,973)
Lapsed amounts reversed	**(1,270)**	(2,207)
Exchange differences	**8,177**	(13,287)
At end of the financial year	**405,623**	400,787

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

	Group 2023 RM'000	Group 2022 RM'000
At beginning of the financial year	**13,518**	15,395
Arose during the financial year	**15,665**	15,276
Revenue recognised during the financial year	**(15,800)**	(16,736)
Exchange differences	**201**	(417)
At end of the financial year	**13,584**	13,518

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

32. Amounts due to subsidiaries

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

33. Discontinued operations

During the financial year ended 31 December 2023, Parkson Vietnam Co Ltd ("Parkson Vietnam") and its wholly-owned subsidiary, Parkson Vietnam Management Services Co Ltd ("PVMS") were classified as discontinued operations on the premise that the operating results of Parkson Vietnam represented a separate geographical area of operations. Parkson Vietnam operated the Group's remaining store in Ho Chi Minh City, Vietnam. Following the filing of the Application as disclosed in Note 15(a), Parkson Vietnam had ceased its operations in August 2023.

Discontinued operations represented the results of Parkson Haiphong Co Ltd, a wholly-owned subsidiary of PRA in Vietnam, Parkson Vietnam and PVMS. The revenue and results of the discontinued operations were as follows:

	Note	Group 2023 RM'000	Group 2022 RM'000
Revenue	4	**3,952**	7,585
Other income	5	**859**	460
Purchase of goods and changes in inventories		**(27)**	(514)
Employee benefits expense	6	**(1,674)**	(3,425)
Depreciation of property, plant and equipment		**(17)**	(48)
Promotional and advertising expenses		**(88)**	(294)
Rental expenses		**(3,928)**	(3,850)
Other expenses		**(3,674)**	(7,725)
Operating loss		**(4,597)**	(7,811)
Finance income	7	**4,471**	8,249
Finance costs	7	**(5,164)**	(7,147)
Allowance for impairment loss on receivables		**(13,204)**	-
Loss on termination of subleases	21	**(97,046)**	-
Gain on termination of lease with landlord	13(b)	**65,607**	-
Gain on deconsolidation of subsidiaries	15(a)	**35,065**	-
Impairment loss on property, plant and equipment		**-**	(712)
Loss before tax	8	**(14,868)**	(7,421)
Income tax expense		**-**	-
Loss from discontinued operations, net of tax		**(14,868)**	(7,421)
Loss for the financial year attributable to:			
Owners of the parent		**(10,104)**	(5,043)
Non-controlling interests		**(4,764)**	(2,378)
		(14,868)	(7,421)

34. Non-current assets classified as held for sale

	Note	Group 2023 RM'000	Group 2022 RM'000
As reclassified from:			
Property, plant and equipment	(i)	**-**	58,403
Investment properties	(i), (ii)	**48,356**	71,017
Intangible assets	(i)	**-**	63,513
Investments in joint ventures	(iii)	**-**	-
		48,356	192,933

(i) In the previous financial year ended 31 December 2022, Qingdao No. 1 Parkson Co Ltd, an indirect 95.91% owned subsidiary of PRGL, had entered into a sale and purchase agreement with an independent third party to dispose of certain property, plant and equipment and investment properties located in Qingdao City, Shandong Province, the PRC ("Properties") at a consideration of Rmb280 million (equivalent to approximately RM177,016,000) ("Disposal of Properties").

The net book values of property, plant and equipment of RM58,403,000, investment properties of RM22,661,000 and goodwill of RM63,513,000 in relation to the Disposal of Properties were reclassified as non-current assets classified as held for sale as at 31 December 2022.

The registration of title transfer of the Properties to the purchaser had been completed during the financial year ended 31 December 2023.

(ii) In the previous financial year ended 31 December 2022, the Group had identified and commenced negotiations with a potential purchaser for the proposed disposal of part of a leasehold land in Melaka, Malaysia ("Land").

On 31 January 2023, Megan Mastika Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with an independent third party in relation to the proposed disposal of approximately 7.54 acres of the Land for a cash consideration of approximately RM48.54 million ("Disposal of Land"). The Disposal of Land entails the disposal of approximately 7.54 acres of the Land ("Subject Property") with 1.28 acres of the Land that is adjacent to the Subject Property ("Surrendered Land") shall have been surrendered to the relevant authorities. The Land is pledged for a loan facility granted to the Group as at 31 December 2023 and 31 December 2022.

The Disposal of Land is pending the fulfilment of conditions precedent.

The net book values of the Subject Property and the Surrendered Land totalling RM48,356,000 were reclassified as non-current assets classified as held for sale as at 31 December 2023 and 31 December 2022.

34. Non-current assets classified as held for sale (cont'd.)

(iii) In the previous financial year ended 31 December 2022, Corporate Code Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement to dispose of its entire equity interests in the Watatime group of companies for a total consideration of approximately RM9 ("Watatime Disposal"). The completion of the Watatime Disposal shall be subject to and conditional upon the conditions precedent being fulfilled.

The Group's investments in the Watatime group of companies had been fully impaired as at 31 December 2023 and 31 December 2022.

35. Significant related party disclosures

Related parties	Relationship
BonusKad Loyalty Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Lion Group Management Services Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Posim Marketing Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Secom (Malaysia) Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Brands Pro Management Sdn Bhd	A company in which a Director and certain substantial shareholders of the Company have interests
Visionwell Sdn Bhd	A company in which a Director who is also a substantial shareholder of the Company has interests
Lion Insurance Company Limited	A company in which a Director and certain substantial shareholders of the Company have interests

35. Significant related party disclosures (cont'd.)

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties were entered into during the financial year:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Purchases of goods and services from:		
- BonusKad Loyalty Sdn Bhd	**5,643**	6,048
- Lion Group Management Services Sdn Bhd	**572**	492
- Posim Marketing Sdn Bhd	**377**	118
- Secom (Malaysia) Sdn Bhd	**679**	765
- Brands Pro Management Sdn Bhd	**387**	355
Rental of office and/or warehouse space from:		
- Visionwell Sdn Bhd	**713**	1,044

	Company	
	2023	**2022**
	RM'000	**RM'000**
Interest income from subsidiaries (Note 7)	**46**	809

The Directors of the Company are of the opinion that the above transactions had been entered into in the ordinary course of business and had been established on terms that are no more favourable to the related parties than those arranged with independent third parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2023 are disclosed in Note 19, Note 20, Note 30 and Note 32.

35. Significant related party disclosures (cont'd.)

(b) Compensation of key management personnel

The remuneration of the Managing Director and the Executive Director of the Company and other members of key management during the financial year are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short term employee benefits	**6,741**	6,536	**203**	203
Pension costs				
- Defined contribution plans	**168**	157	**-**	-
	6,909	6,693	**203**	203

36. Commitments

Capital commitments

Capital expenditure at the reporting date is as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Purchase of property, plant and equipment:		
Approved and contracted for	**7,785**	42,406

37. Corporate guarantees

As at 31 December 2022, the Company had provided corporate guarantees amounting to RM44,000,000 in favour of financial institutions as security for the credit facilities totalling RM35,500,000 granted to subsidiaries of the Company.

The corporate guarantees issued were not recognised in the financial statements as no value has been placed on the guarantees provided by the Company, considering that the likelihood of the guaranteed parties defaulting within the guaranteed period were assessed to be remote.

The Company was released and discharged from all obligations under the corporate guarantees as at 31 December 2023.

38. Fair value

(a) Fair value measurement

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

	Level 3 RM'000
2023	
Investment properties (Note 12):	
Completed investment properties	**2,066,560**
IPUC	**112,000**
Investment securities (Note 22):	
Financial assets at FVOCI	
- Unquoted equity securities	**1,568**
Financial assets at FVPL	
- Wealth management products	**37,159**
2022	
Investment properties (Note 12):	
Completed investment properties	2,023,040
IPUC	112,000
Investment securities (Note 22):	
Financial assets at FVOCI	
- Unquoted equity securities	17,504
Financial assets at FVPL	
- Wealth management products	68,477

38. Fair value (cont'd.)

(a) Fair value measurement (cont'd.)

There has been no transfer between Levels 1, 2 and 3 for the financial years under review.

Fair value of investment properties is determined on an open market, existing use basis by the Group, as disclosed in Note 12.

Fair values of unquoted equity securities and wealth management products are determined using the future cash flows that are estimated based on expected applicable yield of the underlying investment portfolio and discounted at rates that reflect the credit risk of various counterparties.

Changing one or more of the inputs to reasonable alternative assumptions would not significantly change the fair values of the financial assets categorised as Level 3 under the fair value hierarchy.

(b) Financial instruments

(i) The following are classes of financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximations of fair values:

	Note
Lease liabilities	13
Amounts due from subsidiaries	19
Trade and other receivables	20
Investment securities	22
Time deposits	23
Trade and other payables	30
Amounts due to subsidiaries	32

The carrying amounts of certain financial assets and financial liabilities are reasonable approximations of fair values due to their short term nature.

38. Fair value (cont'd.)

(b) Financial instruments (cont'd.)

(ii) The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(aa) Financial instruments classified as current

The fair values of the Group's and of the Company's financial instruments, other than amounts due from/to subsidiaries/related parties, which are classified as current approximate to their carrying amounts due to the relatively short term maturity of these financial instruments.

(bb) Long term time deposits, loans and borrowings

The fair values of long term time deposits, loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangement at the reporting date.

(cc) Deposit receivables/payables

The fair values of rental deposit receivables/payables are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangement at the reporting date.

(dd) Lease liabilities

The fair values of non-current lease liabilities are estimated by discounting expected future lease payments at market incremental lending rate for similar types of lending, borrowings or leasing arrangements at the date of application.

39. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, deposits, cash and bank balances that derive directly from its operations.

The Group is exposed to interest rate risk, foreign currency risk, liquidity risk and credit risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Group reviews and agrees to policies for managing each of these risks, which are summarised below:

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

<u>Interest rate sensitivity</u>

A reasonably possible change of 100 basis point in interest rate, arising mainly from the lower/higher interest on bank loans, with all other variables held constant, the Group's profit or loss for the years would have been RM16,100,000 (2022: RM16,009,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk as a result of the foreign currency transactions entered into by the Group in currencies other than its functional currency. As these transactions are mainly denominated in United States Dollar ("US$"), Hong Kong Dollar ("HK$") and Singapore Dollar ("SGD"), the Group's foreign currency risk is primarily due to exposure to the US$, HK$ and SGD. Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

39. Financial risk management objectives and policies (cont'd.)

(b) Foreign currency risk (cont'd.)

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

In addition to the disclosure detailed elsewhere in the financial statements, the net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	Net financial assets held in			
Functional currency	**US$**	**HK$**	**SGD**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits, cash and bank balances				
2023				
Ringgit Malaysia	**207**	**829**	**4,225**	**5,261**
Chinese Renminbi	**12,427**	**5,347**	**-**	**17,774**
Singapore Dollar	**1,848**	**-**	**-**	**1,848**
	14,482	**6,176**	**4,225**	**24,883**
2022				
Ringgit Malaysia	529	1	420	950
Chinese Renminbi	9,128	3,629	-	12,757
Singapore Dollar	1,243	-	-	1,243
	10,900	3,630	420	14,950

Foreign currency sensitivity

A reasonably possible change of 2% (2022: 2%) in the US$, HK$ and SGD exchange rates against the functional currency of the Group, with all other variables held constant, would have no material impact on the Group's profit or loss.

39. Financial risk management objectives and policies (cont'd.)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group manages its operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash and bank balances to meet its working capital requirements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Not later than one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities:				
Group				
2023				
Trade and other payables	**1,279,531**	**-**	**-**	**1,279,531**
Loans and borrowings:				
Bank overdrafts	**731**	**-**	**-**	**731**
Revolving financing	**56,090**	**90,603**	**-**	**146,693**
Bankers' acceptance	**6,347**	**-**	**-**	**6,347**
Bank loans	**167,289**	**1,423,955**	**-**	**1,591,244**
Lenders from non-financial institutions	**131,468**	**-**	**-**	**131,468**
Rental deposits	**-**	**-**	**1,076**	**1,076**
Lease liabilities	**723,407**	**1,587,203**	**1,210,593**	**3,521,203**
Total undiscounted financial liabilities	**2,364,863**	**3,101,761**	**1,211,669**	**6,678,293**

39. Financial risk management objectives and policies (cont'd.)

(c) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (cont'd.)

	Not later than one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities:				
Group (cont'd.)				
2022				
Trade and other payables	1,260,395	-	-	1,260,395
Loans and borrowings:				
Bank overdrafts	1,445	-	-	1,445
Revolving financing	126,737	-	-	126,737
Bankers' acceptance	6,591	-	-	6,591
Term loan	4,476	-	-	4,476
Bank loans	160,841	1,530,753	-	1,691,594
Lenders from non-financial institutions	139,300	-	-	139,300
Rental deposits	-	-	5,390	5,390
Lease liabilities	737,930	1,889,147	1,238,700	3,865,777
Total undiscounted financial liabilities	2,437,715	3,419,900	1,244,090	7,101,705
Company				
2023				
Trade and other payables	**1,166**	**-**	**-**	**1,166**
Amounts due to subsidiaries	**1,939**	**-**	**-**	**1,939**
Total undiscounted financial liabilities	**3,105**	**-**	**-**	**3,105**
2022				
Trade and other payables	891	-	-	891
Amounts due to subsidiaries	4,837	-	-	4,837
Total undiscounted financial liabilities	5,728	-	-	5,728

39. Financial risk management objectives and policies (cont'd.)

(c) Liquidity risk (cont'd.)

Corporate guarantee issued by the Company in favour of financial institutions as security for the credit facilities granted to subsidiaries of the Company, were not recognised in the financial statements as no value has been placed on the guarantees provided, considering that the likelihood of the guaranteed parties defaulting within the guaranteed period were assessed to be remote. Further details of the corporate guarantees are disclosed in Note 37.

(d) Credit risk

Credit risk is the risk of loss that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Group and the Company are exposed to credit risk from their operating activities primarily from trade and other receivables. The receivables are monitored on an ongoing basis through the Group's and the Company's management reporting procedures.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive fair values.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 20.

<u>Credit risk concentration profile</u>

The Group and the Company determine concentrations of credit risk by monitoring individual profile of their trade receivables on an ongoing basis.

At the reporting date, the Group and the Company do not have any significant exposure to any individual customer or counterparty nor do they have any major concentration of credit risk related to any financial instrument.

<u>Financial assets that are neither past due nor impaired</u>

Information regarding receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks and other financial institutions are placed with reputable financial institutions.

<u>Financial assets that are either past due or impaired</u>

Information regarding receivables that are either past due or impaired is disclosed in Note 20.

40. Segmental information

For management purposes, the Group is organised into business units based on its products and services, and has two reportable operating segments as follows:

(i) Retailing - Operation and management of retail stores in Malaysia and PRC.

(ii) Others - Operation of credit services, food and beverage businesses, and investment holding.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on operating profit. Group financing (including finance income and finance costs) and income taxes are managed on a group basis and are not allocated to reportable segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment assets

Segment assets represent total assets of the Group. The segment assets are presented in a manner that is consistent with the internal reporting provided to management for the purpose of making decisions on resource allocation and performance assessment.

Segment liabilities

Segment liabilities represent total liabilities of the Group. The segment liabilities are presented in a manner that is consistent with the internal reporting provided to management for the purpose of making decisions on resource allocation and performance assessment.

Segment capital expenditure

Segment capital expenditure represent total costs incurred during the financial years to acquire property, plant and equipment, investment properties and intangible assets.

40. Segmental information (cont'd.)

The Group's segmental information is as follows:

	Retailing					
2023	**Malaysia RM'000**	**PRC RM'000**	**Others RM'000**	**Continuing operations RM'000**	**Discontinued operations RM'000**	**Total RM'000**
Revenue:						
External customers	769,244	2,277,840	74,871	3,121,955	3,952	3,125,907
Inter-segment	-	-	-	-	-	-
Total revenue	769,244	2,277,840	74,871	3,121,955	3,952	3,125,907
Results:						
Segment profit/(loss)	190,881	317,027	4,176	512,084	(4,597)	507,487
Finance income				46,523	4,471	50,994
Finance costs				(380,352)	(5,164)	(385,516)
Share of results of associates				8,210	-	8,210
Share of results of joint ventures				7,170	-	7,170
Gain on disposal of properties				23,756	-	23,756
Impairment loss on:						
- Property, plant and equipment				(3,414)	-	(3,414)
- Right-of-use assets				(15,407)	-	(15,407)
- Intangible assets				(83,267)	-	(83,267)
Allowance for impairment loss on receivables				-	(13,204)	(13,204)
Loss on termination of subleases				-	(97,046)	(97,046)
Gain on termination of lease with landlord				-	65,607	65,607
Gain on deconsolidation of subsidiaries				-	35,065	35,065
Profit/(loss) before tax				115,303	(14,868)	100,435
Segment assets	1,037,000	6,823,177	663,967	8,524,144	1,803	8,525,947
Segment liabilities	940,687	4,858,762	307,825	6,107,274	1,149	6,108,423
Capital expenditure	16,038	75,315	87	91,440	80	91,520

40. Segmental information (cont'd.)

The Group's segmental information is as follows: (cont'd.)

2022	Retailing Malaysia RM'000	Retailing PRC RM'000	Others RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000
Revenue:						
External customers	754,531	2,106,936	53,529	2,914,996	7,585	2,922,581
Inter-segment	-	-	-	-	-	-
Total revenue	754,531	2,106,936	53,529	2,914,996	7,585	2,922,581
Results:						
Segment profit/(loss)	209,131	27,059	(11,481)	224,709	(7,811)	216,898
Finance income				45,796	8,249	54,045
Finance costs				(362,475)	(7,147)	(369,622)
Share of results of associates				(1,001)	-	(1,001)
Share of results of joint ventures				(1,124)	-	(1,124)
Impairment loss on:						
- Property, plant and equipment				(2,400)	(712)	(3,112)
- Right-of-use assets				(25,057)	-	(25,057)
- Intangible assets				(32,500)	-	(32,500)
Loss before tax				(154,052)	(7,421)	(161,473)
Segment assets	1,060,343	7,165,470	513,130	8,738,943	120,566	8,859,509
Segment liabilities	1,021,738	5,044,115	302,463	6,368,316	121,130	6,489,446
Capital expenditure	11,564	92,514	23	104,101	561	104,662

40. Segmental information (cont'd.)

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

	Group	
	2023	**2022**
	RM'000	**RM'000**
Malaysia	**649,558**	694,909
PRC	**4,672,400**	4,973,626
Vietnam	**-**	56
Others	**5**	4
	5,321,963	5,668,595

The amount of non-current assets consist of property, plant and equipment, investment properties, right-of-use assets, intangible assets, investments in associates and investments in joint ventures.

Information about major customer

The Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue.

41. Capital management

The primary objective of the Group's capital management is to ensure that it maintains the Group's stability and growth in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group regularly reviews and manages its capital structure and makes adjustments to it, taking into consideration of changes in economic conditions, future capital requirements of the Group, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities. No changes were made in the objective, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

41. Capital management (cont'd.)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, lease liabilities, loans and borrowings, less deposits, cash and bank balances and current investment securities. Capital represents total equity of the Group.

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Lease liabilities (Note 13(b))	**2,472,555**	2,846,672	**-**	-
Loans and borrowings (Note 27)	**1,739,945**	1,738,850	**-**	-
Less: Deposits, cash and bank balances (Note 23)	**(1,494,844)**	(1,306,069)	**(952)**	(3,461)
Investment securities - current (Note 22)	**(37,159)**	(68,477)	**-**	-
Net debt/(cash) (A)	**2,680,497**	3,210,976	**(952)**	(3,461)
Total equity, representing total capital	**2,417,524**	2,370,063	**2,700,446**	2,672,811
Capital and net debt (B)	**5,098,021**	5,581,039	**2,699,494**	2,669,350
Gearing ratio (A/B)	**53%**	58%	*****	*

* Not applicable as the Company does not have debt.

42. Status of litigations

(i) On 15 November 2018, Parkson (Cambodia) Co Ltd ("PCCO"), a wholly-owned subsidiary of Parkson Retail Asia Limited ("PRA") which is in turn a 67.96% owned subsidiary of the Company, commenced arbitration proceedings on Hassan (Cambodia) Development Co Ltd ("Lessor") under Singapore International Arbitration Centre ("SIAC Arbitration") relating to the lease of a planned store in Cambodia ("Premises"). The SIAC Arbitration hearing was completed on 26 May 2020. On 14 September 2020, the SIAC Arbitration issued a final award ("SIAC Award") wherein the SIAC Arbitration found, *inter alia*, that the lease agreement dated 21 April 2016 in respect of the Premises ("Lease Agreement") was lawfully terminated by PCCO, and ordered the Lessor to pay to PCCO approximately US$7.8 million which included:

(a) security deposit of US$2,463,750;

(b) advance rental of US$2,025,000;

(c) costs and expenses incurred by PCCO of US$2,692,253 which had been wasted as a result of the Lessor's breach of the Lease Agreement; and

(d) costs and expenses of the SIAC Arbitration, and legal fees and costs incurred in connection with the proceedings of approximately SGD0.8 million.

42. Status of litigations (cont'd.)

(i) (cont'd.)

Even though the disputes between PCCO and the Lessor were before the SIAC Arbitration, on 12 December 2018, the Lessor had filed a petition ("Case No. 2577") in the Phnom Penh Municipal Court of First Instance ("PPMCFI"). On 27 March 2020, PPMCFI granted a default judgement against PCCO in the Case No. 2577 ("Default Judgement") for, *inter alia* :

(a) the Lessor shall forfeit the security deposit and all advance rental paid by PCCO to the Lessor amounting to US$4,488,750; and

(b) PCCO shall pay damages of US$144,504,960 to the Lessor, being the rental fee for the whole period of the lease.

On 4 May 2020, PCCO filed a petition to PPMCFI to set aside the Default Judgement. PPMCFI has agreed to accept PCCO's petition and to hold pre-trial proceedings and hearing for the Case No. 2577. After the pre-trial proceedings and subsequent hearing for Case No. 2577, the PPMCFI will decide whether to (a) uphold the Default Judgement; or (b) dismiss the Default Judgement (either partly or wholly). Additionally, on 21 May 2020, PCCO filed a motion to challenge and disqualify PPMCFI's judge ("Motion to Challenge and Disqualify Judge"). The Motion to Challenge and Disqualify Judge was dismissed on 9 June 2020 and on 26 June 2020, PCCO filed an appeal against the decision of the PPMCFI. On 11 November 2020, PCCO's appeal against the Motion to Challenge and Disqualify Judge was dismissed by the Cambodian Appellate Court.

The hearing date for the Case No. 2577 has yet to be fixed by PPMCFI.

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 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 Judgement is only applicable against PCCO and does not extend to the Group. The Default Judgement, if not set aside, will be recorded by the Group although the management is of the view that the execution of which will be limited to the Group's capital contribution in PCCO which had 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.

42. Status of litigations (cont'd.)

(ii) On 23 December 2019, Parkson Corporation Sdn Bhd ("PCSB"), a wholly-owned subsidiary of PRA, was served with a Writ and the Statement of Claim both dated 13 December 2019 ("Suit"). The Suit was initiated by PKNS-Andaman Development Sdn Bhd ("PKNS") in relation to premises let to PCSB within a mall known as "EVO Shopping Mall" ("Demised Premises").

PKNS, the landlord of the Demised Premises, has alleged that PCSB had failed to observe its obligation to pay rental for the Demised Premises pursuant to the Tenancy Agreement dated 2 October 2017 entered into between PCSB and PKNS ("Tenancy Agreement") and accordingly, PKNS is claiming for, amongst others, the following reliefs ("Reliefs"):

(a) payment by PCSB of RM3,659,172 to PKNS, being the accrued monthly rental from 2 April 2018 to 2 December 2019, and thereafter at the rate of RM182,958 per month until the return of the Demised Premises to PKNS;

(b) as an alternative to item (a) above, payment by PCSB of RM3,842,131 to PKNS, being the accrued monthly rental from 27 February 2018 to 27 November 2019, and thereafter at the rate of RM182,958 per month until the return of the Demised Premises to PKNS;

(c) payment by PCSB of RM1,859,600 to PKNS, being the renovation cost contributed by PKNS towards the Demised Premises;

(d) interest upon the judgement debt at the rate of 5% per annum from 13 December 2019 until the date of judgement;

(e) interest upon the judgement debt at the rate of 5% per annum from the date of judgement until date of full settlement;

(f) PCSB to duly return the vacant possession of the Demised Premises to PKNS in the original condition and/or PCSB to return vacant possession of the Demised Premises to PKNS within 14 days from the date of judgement; and

(g) costs of proceedings to be paid by PCSB to PKNS.

On 22 May 2020, PCSB filed a court application to strike out the Suit on the grounds that the Suit (a) discloses no reasonable cause of action; (b) is scandalous, frivolous and vexatious; and/or (c) is an abuse of process of the court.

On 29 January 2021, the High Court of Malaya ("High Court") allowed PCSB's application to strike out the Suit and had accordingly struck out the Suit with costs of RM7,000 to be paid by PKNS to PCSB.

42. Status of litigations (cont'd.)

(ii) (cont'd.)

On 16 February 2021, PCSB received a notice of appeal from PKNS informing that PKNS had filed an appeal against the decision given by the High Court on 29 January 2021 allowing PCSB's striking out application ("Appeal").

On 21 March 2023, the Court of Appeal allowed the Appeal and directed for the matter to proceed with trial at the High Court.

On 8 June 2023, PKNS filed an application with the High Court to amend, amongst others, the Reliefs in its Statement of Claim ("Amendment Application") with the High Court as follows:

(a) payment by PCSB of RM10,965,712 to PKNS, being the accrued monthly rental from 2 April 2018 to June 2023, and thereafter at the rate of RM182,958.60 per month until full settlement of total outstanding rental;

(b) as an alternative to item (a) above, payment by PCSB of RM11,722,419 to PKNS, being the accrued monthly rental from 27 February 2018 to June 2023, and thereafter at the rate of RM182,958.60 per month until full settlement of total outstanding rental; and

(c) PCSB is to pay total outstanding monthly rental to PKNS within 14 days from the date of judgement.

Items (c), (d), (e) and (g) of the Reliefs continue to remain unchanged in PKNS's claim.

On 18 August 2023, the High Court allowed the Amendment Application upon which PKNS had on 6 September 2023, served PCSB with an Amended Writ and Amended Statement of Claim, both dated 3 September 2023. PCSB had filed its amended Statement of Defence on 19 September 2023.

The trial dates of the matter have been fixed on 30 to 31 May 2024, 28 June 2024 and 1 July 2024.

PCSB maintains its position that no rental is payable as PKNS has failed to satisfy the conditions precedent as set out in the Tenancy Agreement for rental commencement to be triggered and PKNS's act of issuing commencement notice pursuant to the Tenancy Agreement backdating the commencement date of rental without satisfying the conditions precedent is unlawful.

43. Comparatives

Certain comparative figures have been restated to reflect the adoption of amendments to MFRS 112 as disclosed in Note 2.2 and to include the operations that have been discontinued by the end of the current reporting period as disclosed in Note 33.