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PARKSON 百盛

PARKSON RETAIL GROUP LIMITED **百盛商業集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3368)

UNAUDITED FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2026

The board of directors (the “Board”) of Parkson Retail Group Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the three months ended 31 March 2026, together with the comparative unaudited figures for the corresponding period in 2025 as follows.

The unaudited quarterly results of the Group are released in conjunction with the announcement of the quarterly results of Parkson Holdings Berhad, the holding company of the Company in Malaysia pursuant to the Bursa Malaysia Main Board Listing Requirements. This announcement is made pursuant to paragraph 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

HIGHLIGHTS

Total operating revenues for the three months ended 31 March 2026 amounted to RMB928.2 million, representing a decrease of RMB68.2 million or 6.8% as compared to the corresponding period of last year.

Same store sales (“SSS”) for the three months ended 31 March 2026 decreased by 14.5% as compared to the corresponding period of last year.

The Group recorded total Gross Sales Proceeds (“GSP”) inclusive of value-added tax of RMB1,964.3 million for the three months ended 31 March 2026, representing a decrease of 12.9% as compared to that of RMB2,254.6 million for the three months ended 31 March 2025.

Profit from operations for the three months ended 31 March 2026 was RMB157.5 million, an increase of RMB34.6 million or 28.2% as compared to RMB122.9 million for the corresponding period of last year.

Profit attributable to owners of the Company for the three months ended 31 March 2026 was RMB39.8 million, as compared to RMB3.4 million recorded for the three months ended 31 March 2025.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the three months ended 31 March	
	2026	2025
	Unaudited <i>RMB'000</i>	Unaudited <i>RMB'000</i>
Gross Sales Proceeds (inclusive of value-added tax)	1,964,265	2,254,647
Revenues	819,144	883,673
Other operating revenues	109,089	112,745
Total operating revenues	928,233	996,418
Operating expenses		
Purchases of goods and changes in inventories	(382,183)	(439,019)
Staff costs	(101,473)	(112,275)
Depreciation and amortisation	(107,864)	(122,073)
Rental expenses	(20,925)	(20,792)
Other operating expenses	(158,294)	(179,404)
Total operating expenses	(770,739)	(873,563)
Profit from operations	157,494	122,855
Finance income	5,352	6,612
Finance costs	(103,429)	(110,083)
Share of profits of associates	5,447	4,790
Profit before tax	64,864	24,174
Income tax expense	(25,783)	(21,579)
Profit for the period	39,081	2,595
Attributable to:		
– Owners of the Company	39,808	3,375
– Non-controlling interests	(727)	(780)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2026 Unaudited <i>RMB '000</i>	As at 31 December 2025 Audited <i>RMB '000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	2,440,911	2,470,357
Investment properties	500,822	506,116
Right-of-use assets	2,873,188	2,872,105
Goodwill	1,432,008	1,432,008
Investments in associates	57,314	51,867
Trade receivables	817,241	836,825
Time deposits	24,302	24,302
Other assets	14,666	18,495
Deferred tax assets	261,593	265,164
	8,422,045	8,477,239
CURRENT ASSETS		
Inventories	259,860	255,038
Trade receivables	457,816	445,966
Prepayments and other receivables	498,015	479,744
Financial assets at fair value through profit or loss	73,391	77,162
Restricted cash	49,791	60,690
Time deposits	43,072	22,316
Cash and bank balances	1,437,782	1,457,222
	2,819,727	2,798,138
CURRENT LIABILITIES		
Trade payables	424,453	455,033
Other payables and accruals	581,296	620,633
Contract liabilities	536,501	545,340
Interest-bearing bank loans	325,990	345,613
Lease liabilities	391,140	409,195
Tax payable	32,499	25,988
	2,291,879	2,401,802
NET CURRENT ASSETS	527,848	396,336
TOTAL ASSETS LESS CURRENT LIABILITIES	8,949,893	8,873,575

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	As at 31 March 2026 Unaudited <i>RMB'000</i>	As at 31 December 2025 Audited <i>RMB'000</i>
NON-CURRENT LIABILITIES		
Interest-bearing bank loans	2,673,996	2,629,888
Lease liabilities	3,190,919	3,190,409
Deferred tax liabilities	163,657	167,072
	<hr/> 6,028,572 <hr/>	<hr/> 5,987,369 <hr/>
NET ASSETS	<hr/> 2,921,321 <hr/>	<hr/> 2,886,206 <hr/>
EQUITY		
Issued capital	55,477	55,477
Reserves	2,801,497	2,765,655
	<hr/> 2,856,974 <hr/>	<hr/> 2,821,132 <hr/>
Non-controlling interests	<hr/> 64,347 <hr/>	<hr/> 65,074 <hr/>
TOTAL EQUITY	<hr/> 2,921,321 <hr/>	<hr/> 2,886,206 <hr/>

UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS

	For the three months ended 31 March 2026 Unaudited RMB'000
Net cash flows from operating activities	135,359
Net cash flows from investing activities	(13,525)
Net cash flows used in financing activities	<u>(152,173)</u>
Net decrease in cash and cash equivalents	(30,339)
Cash and cash equivalents at beginning of the period	<u>1,517,912</u>
Cash and cash equivalents at end of the period	<u><u>1,487,573</u></u>
Analysis of balances of cash and cash equivalents	
Cash and bank balances	1,245,124
Non-pledged time deposits with original maturity of less than three months when acquired	192,658
Restricted cash	<u>49,791</u>
Cash and cash equivalents	<u><u>1,487,573</u></u>
Cash and cash equivalents	1,487,573
Time deposits	67,374
Financial assets at fair value through profit or loss	<u>73,391</u>
Cash and cash equivalents, deposits and financial assets at fair value through profit or loss at end of the period	<u><u>1,628,338</u></u>

Operation and Financial Review

GSP and total operating revenues

The Group recorded total GSP inclusive of value-added tax of RMB1,964.3 million for the three months ended 31 March 2026, representing a decrease of 12.9% as compared to the same period of last year. The decline in GSP was mainly attributable to more prudent consumer spending behaviour, coupled with the progressive conversion of certain stores from department store formats to shopping malls, resulting in a reduction in both concessionaire sales and direct sales. SSS decreased by 14.5% during the three months ended 31 March 2026 as compared to the same period of last year.

The following table sets out a breakdown of our total merchandise sales through different channels for the periods indicated:

	For the three months ended 31 March				Year-on-year change (%)
	2026		2025		
	RMB'000	% of total	RMB'000	% of total	
Concessionaire sales	993,877	69.5%	1,202,088	70.6%	(17.3%)
Direct sales	437,056	30.5%	500,638	29.4%	(12.7%)
	1,430,933	100.0%	1,702,726	100.0%	(16.0%)

Total operating revenues of the Group decreased by RMB68.2 million or 6.8% to RMB928.2 million for the three months ended 31 March 2026 as compared to RMB996.4 million for the three months ended 31 March 2025. The decrease in total operating revenues was mainly due to the decrease in the revenue from contracts with customers. The revenue from contracts with customers consists of sale of goods from direct sales, commissions from concessionaire sales and consultancy and management service fees. For the three months ended 31 March 2026, revenue from contracts with customers, which constituted 62.7% of the total operating revenues for the three months ended 31 March 2026 decreased by 12.8% compared to the same period of last year.

Operating expenses

Total operating expenses excluding purchases of goods and changes in inventories decreased by RMB45.9 million or 10.6% to RMB388.6 million for the three months ended 31 March 2026 as compared to RMB434.5 million for the three months ended 31 March 2025. On a same store basis, total operating expenses excluding purchases of goods and changes in inventories decreased by 6.8%.

Profit from operations

Profit from operations of the Group was RMB157.5 million for the three months ended 31 March 2026, an increase of RMB34.6 million or 28.2% as compared to RMB122.9 million for the three months ended 31 March 2025.

Profit attributable to owners of the Company

The Group recorded profit attributable to owners of the Company of RMB39.8 million for the three months ended 31 March 2026 as compared to RMB3.4 million recorded for the three months ended 31 March 2025.

As at 31 March 2025, the Group and its associates operated and managed 40 Parkson stores (including department stores, shopping malls, outlets, the “Parkson Beauty” concept store and supermarkets) and 2 Parkson Newcore City Malls, in 23 major cities across China and Laos.

Acknowledgement

I would like to take this opportunity to thank the Board, management and all our staff for their hard work and dedication. I would also like to thank the shareholders and our loyal customers for their strong support to the Group.

On behalf of the Board
Parkson Retail Group Limited
Tan Sri Cheng Heng Jem
Executive Director & Chairman

18 May 2026

As at the date of this announcement, the Executive Directors of the Company are Tan Sri Cheng Heng Jem and Ms. Juliana Cheng San San, the Non-executive Director is Dato’ Sri Dr. Hou Kok Chung and the Independent Non-executive Directors are Dato’ Fu Ah Kiow, Mr. Yau Ming Kim, Robert and Datuk Koong Lin Loong.