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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 THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

The board of directors (the "Board") of Parkson Retail Group Limited (the "Company") would like to present the unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the quarter ended 30 September 2025.

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 Third Quarter ("3Q2025") and the First Nine Months of The Year ("9M2025") are RMB823.9 million and RMB2,786.7 million respectively, representing a decrease of 1.4% and increase of 0.2% respectively as compared to the corresponding period last year.

Same store sales ("SSS") decreased by 13.8% in 3Q2025 and decreased by 17.2% in 9M2025.

Profit from operations for 3Q2025 was RMB117.6 million. Profit from operations for 9M2025 increased by RMB91.8 million to RMB375.2 million as compared to the corresponding period last year of RMB283.4 million, representing an increase of 32.4%.

Profit attributable to owners of the Company in 9M2025 was RMB23.4 million as compared to loss attributable to owners of the Company of RMB29.3 million in the corresponding period last year.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Quarter Ended 30 September		Year to Date Ended 30 September	
	2025	2024	**2025**	2024
	Unaudited	Unaudited	**Unaudited**	Unaudited
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Gross Sales Proceeds (inclusive of value-added tax)	**1,634,751**	1,812,107	**5,790,061**	6,504,896
Revenues	**699,398**	711,481	**2,315,141**	2,431,265
Other operating revenues	**124,469**	124,036	**471,556**	348,978
Total operating revenues	**823,867**	835,517	**2,786,697**	2,780,243
Operating expenses				
Purchases of goods and changes in inventories	**(311,800)**	(329,118)	**(1,085,276)**	(1,193,604)
Staff costs	**(104,422)**	(113,463)	**(357,243)**	(353,126)
Depreciation and amortisation	**(108,569)**	(124,606)	**(349,647)**	(380,506)
Rental expenses	**(15,269)**	(17,284)	**(52,774)**	(61,389)
Other operating expenses	**(166,217)**	(161,409)	**(566,528)**	(508,202)
Total operating expenses	**(706,277)**	(745,880)	**(2,411,468)**	(2,496,827)
Profit from operations	**117,590**	89,637	**375,229**	283,416
Finance income	**5,320**	7,912	**18,016**	30,728
Finance costs	**(102,266)**	(104,302)	**(321,854)**	(347,522)
Share of profits of associates	**934**	2,192	**10,355**	11,054
Profit/(Loss) before tax	**21,578**	(4,561)	**81,746**	(22,324)
Income tax expense	**(22,994)**	(6,662)	**(62,212)**	(6,128)
Profit/(Loss) for the period	**(1,416)**	(11,223)	**19,534**	(28,452)
Attributable to:				
- **Owners of the Company**	**914**	(10,628)	**23,382**	(29,269)
- **Non-controlling interests**	**(2,330)**	(595)	**(3,848)**	817

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 September 2025 Unaudited *RMB'000*	As at 31 December 2024 Audited *RMB'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**2,565,413**	2,653,648
Investment properties	**511,410**	527,292
Right-of-use assets	**2,454,550**	2,697,334
Goodwill	**1,512,008**	1,536,408
Investments in associates	**49,408**	52,472
Trade receivables	**810,350**	677,133
Time deposits	**26,202**	26,202
Other assets	**23,897**	55,369
Deferred tax assets	**267,226**	274,401
	8,220,464	8,500,259
CURRENT ASSETS		
Inventories	**277,072**	378,761
Trade receivables	**437,391**	366,390
Prepayment and other receivables	**534,634**	530,244
Financial assets at fair value through profit or loss	**99,146**	66,685
Restricted cash	**35,259**	63,999
Time deposits	**61,712**	9,175
Cash and bank balances	**1,416,949**	1,466,508
	2,862,163	2,881,762
CURRENT LIABILITIES		
Trade payables	**413,851**	586,181
Other payables and accruals	**662,085**	605,256
Contract liabilities	**581,761**	604,308
Interest-bearing bank loans	**301,088**	220,075
Lease liabilities	**497,876**	501,555
Tax payable	**24,378**	21,509
	2,481,039	2,538,884
NET CURRENT ASSETS	**381,124**	342,878
TOTAL ASSETS LESS CURRENT LIABILITIES	**8,601,588**	8,843,137

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 September 2025 Unaudited ***RMB'000***	As at 31 December 2024 Audited *RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank loans	**2,715,417**	2,590,421
Lease liabilities	**2,629,578**	2,988,839
Deferred tax liabilities	**175,847**	176,783
	5,520,842	5,756,043
NET ASSETS	**3,080,746**	3,087,094
EQUITY		
Issued capital	**55,477**	55,477
Reserves	**2,957,397**	2,959,897
	3,012,874	3,015,374
Non-controlling interests	**67,872**	71,720
TOTAL EQUITY	**3,080,746**	3,087,094

UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS

	For the nine months ended 30 September 2025 Unaudited ***RMB'000***
Net cash flows from operating activities	331,116
Net cash flows from investing activities	(35,633)
Net cash flows used in financing activities	(373,782)
Net decrease in cash and cash equivalents	**(78,299)**
Cash and cash equivalents at beginning of the period	1,530,507
Cash and cash equivalents at end of the period	**1,452,208**
Analysis of balances of cash and cash equivalents	
Cash and bank balances	1,135,205
Non-pledged time deposits with original maturity of less than three months when acquired	281,744
Restricted cash	35,259
Cash and cash equivalents	**1,452,208**
Cash and cash equivalents	1,452,208
Time deposits	87,914
Financial assets at fair value through profit or loss	99,146
Cash and cash equivalents, deposits and financial assets at fair value through profit or loss at end of the period	**1,639,268**

Operation and Financial Review

GSP and total operating revenues

The Group recorded unaudited gross sales proceeds ("GSP") inclusive of value-added tax of RMB1,634.8 million in 3Q2025 and RMB5,790.1 million in 9M2025, representing a decrease of 9.8% and 11.0% in 3Q2025 and 9M2025 respectively as compared to the same period last year. The decrease in GSP was primary due to increasingly cautious consumer spending behaviour as a result of heightened external environment uncertainty and subdued household income growth expectations.

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

	For the nine months ended 30 September				
	2025		2024		Year-on-year
	RMB'000	% of total	RMB'000	% of total	change (%)
Concessionaire sales	2,873,311	69.8%	3,559,241	72.1%	(19.3%)
Direct sales	1,244,609	30.2%	1,376,679	27.9%	(9.6%)
	4,117,920	100.0%	4,935,920	100.0%	(16.6%)

Total operating revenues decreased by 1.4% to RMB823.9 million in 3Q2025 and increased by 0.2% to RMB2,786.7 million for 9M2025 as compared to the same period last year. The increase in total operating revenues was mainly due to increase in other income arising from lease modification and termination and increase in revenue from credit services though partially offset by decrease in sale of goods from direct sales and commissions from concessionaire sales.

The revenue from contracts with customers which constituted 59.3% of our total operating revenues in 9M2025, decreased by RMB205.9 million as compared to the same period last year. The revenue from contract with customers consists of sale of goods from direct sales, commissions from concessionaire sales and consultancy and management service fees.

Operating expenses

Total operating expenses excluding purchases of goods and changes in inventories increased by 1.8% to RMB1,326.2 million in 9M2025 as compared to the same period last year of RMB1,303.2 million. The increase was mainly due to increase in impairment allowance provided on loan receivable for the credit services business and was partially offset against the decrease in depreciation and amortisation for the right-of-use assets of the properties as a result of changed in rental and payment terms for certain stores.

Profit from operations

Profit from operations for 3Q2025 was RMB117.6 million. Profit from operations increased by RMB91.8 million to RMB375.2 million in 9M2025 as compared to the same period last year of RMB283.4 million, representing an increase of 32.4%.

Profit/(Loss) attributable to owners of the Company

The Group recorded profit attributable to owners of the Company of RMB0.9 million in 3Q2025 and RMB23.4 million in 9M2025.

As of 30 September 2025, the Group and its associates operated and managed 41 Parkson stores (including department stores, shopping malls, outlets, the "Parkson Beauty" concept stores and supermarkets) and 2 Parkson Newcore City Malls across 25 cities in the PRC 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 continued support to the Group.

On behalf of the Board
PARKSON RETAIL GROUP LIMITED
Tan Sri Cheng Heng Jem
Executive Director & Chairman

20 November 2025

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.