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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

Total operating revenues for the year of 2025 decrease to RMB3,698.1 million, representing a year-on-year decrease of 0.8%.

Same Store Sales ("SSS") decreased by 16.6% in 2025.

Total Gross Sales Proceeds ("GSP") inclusive of value-added tax were RMB7,745.6 million in 2025, representing a year-on-year decrease of 10.9%.

Profit from operations was RMB262.0 million in 2025, representing a year-on-year increase of 7.0%.

Loss attributable to owners of the Company amounted to RMB185.9 million in 2025.

FINAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The board (the "Board") of directors (the "Directors") of Parkson Retail Group Limited (the "Company") would like to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2025 with comparative figures for the previous year of 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	**2025** *RMB'000*	2024 *RMB'000*
Revenues	*4*	**3,075,959**	3,237,153
Other operating revenues	*4*	**622,098**	489,499
Total operating revenues		**3,698,057**	3,726,652
Operating expenses			
Purchases of goods and changes in inventories		**(1,429,374)**	(1,562,074)
Staff costs		**(469,455)**	(479,358)
Depreciation and amortisation		**(455,883)**	(498,474)
Rental expenses		**(72,709)**	(80,383)
Other operating expenses		**(1,008,624)**	(861,493)
Total operating expenses		**(3,436,045)**	(3,481,782)
Profit from operations		**262,012**	244,870
Finance income	*6*	**30,784**	38,590
Finance costs	*6*	**(425,916)**	(445,897)
Share of profits of associates		**12,814**	14,508
Loss before tax	*5*	**(120,306)**	(147,929)
Income tax expense	*7*	**(72,203)**	(26,596)
Loss for the year		**(192,509)**	(174,525)
Attributable to:			
– Owners of the Company		**(185,863)**	(174,759)
– Non-controlling interests		**(6,646)**	234
		(192,509)	(174,525)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*8*		
Basic and diluted		**(RMB0.071)**	(RMB0.066)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2025	2024
	RMB'000	*RMB'000*
Loss for the year	**(192,509)**	(174,525)
Other comprehensive income/(expenses)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
– Exchange differences on translation of foreign operations	**44,311**	1,290
Other comprehensive expenses that will not be reclassified to profit or loss in subsequent periods:		
– Exchange differences on translation of the Company	**–**	(3,409)
Other comprehensive income/(expenses) for the year, net of tax	**44,311**	(2,119)
Total comprehensive expenses for the year	**(148,198)**	(176,644)
Attributable to:		
– Owners of the Company	**(141,552)**	(176,878)
– Non-controlling interests	**(6,646)**	234
	(148,198)	(176,644)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**2025** **_RMB'000_**	2024 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**2,470,357**	2,653,648
Investment properties		**506,116**	527,292
Right-of-use assets		**2,872,105**	2,697,334
Goodwill		**1,432,008**	1,536,408
Investments in associates		**51,867**	52,472
Trade receivables	*10*	**836,825**	677,133
Time deposits		**24,302**	26,202
Other assets		**18,495**	55,369
Deferred tax assets		**265,164**	274,401
		8,477,239	8,500,259
CURRENT ASSETS			
Inventories		**255,038**	378,761
Trade receivables	*10*	**445,966**	366,390
Prepayments and other receivables		**479,744**	530,244
Financial assets at fair value through profit or loss		**77,162**	66,685
Restricted cash		**60,690**	63,999
Time deposits		**22,316**	9,175
Cash and bank balances		**1,457,222**	1,466,508
		2,798,138	2,881,762
CURRENT LIABILITIES			
Trade payables	*11*	**455,033**	586,181
Other payables and accruals		**620,633**	605,256
Contract liabilities		**545,340**	604,308
Interest-bearing bank loans		**345,613**	220,075
Lease liabilities		**409,195**	501,555
Tax payable		**25,988**	21,509
		2,401,802	2,538,884
NET CURRENT ASSETS		**396,336**	342,878
TOTAL ASSETS LESS CURRENT LIABILITIES		**8,873,575**	8,843,137

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank loans		**2,629,888**	2,590,421
Lease liabilities		**3,190,409**	2,988,839
Deferred tax liabilities		**167,072**	176,783
		5,987,369	5,756,043
NET ASSETS		**2,886,206**	3,087,094
EQUITY			
Issued capital		**55,477**	55,477
Reserves		**2,765,655**	2,959,897
		2,821,132	3,015,374
Non-controlling interests		**65,074**	71,720
TOTAL EQUITY		**2,886,206**	3,087,094

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Parkson Retail Group Limited (the "Company") is a limited liability company incorporated in the Cayman Islands on 3 August 2005. The Company has established a principal place of business in Hong Kong in Room 1010, 10th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

The Company acts as an investment holding company. The principal activities of the Company and its subsidiaries (the "Group") are the operation and management of a network of department stores, shopping malls, outlets and supermarkets in the People's Republic of China (the "PRC"), and the provision of credit services in Malaysia.

In the opinion of the directors, the ultimate holding company of the Company is Parkson Holdings Berhad ("PHB"), which is incorporated in Malaysia and listed on Bursa Malaysia Securities Berhad.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group for the year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the disclosure requirements of the Hong Kong Companies Ordinance.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current year, the Group has applied for the first time the amendments to IAS 21 "Lack of Exchangeability", which are effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2025.

The adoption of the amended IFRS Accounting Standards had no material impact on the Group's performance and financial positions for the current and prior periods have been prepared and presented.

3. GROSS SALES PROCEEDS

	2025	2024
	RMB'000	*RMB'000*
Sale of goods from direct sales	**1,636,705**	1,798,059
Gross revenue from concessionaire sales	**3,877,399**	4,756,267
Total merchandise sales	**5,514,104**	6,554,326
Others (including consultancy and management service fees, gross rental income, credit services income and other operating revenues)	**1,514,651**	1,290,254
Total gross sales proceeds	**7,028,755**	7,844,580
Total gross sales proceeds (inclusive of value-added tax)	**7,745,588**	8,696,643

4. REVENUES, OTHER OPERATING REVENUES AND SEGMENT INFORMATION

Revenues

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sale of goods from direct sales	**1,636,705**	1,798,059
Commissions from concessionaire sales	**546,701**	638,339
Consultancy and management service fees	**4,786**	7,869
	2,188,192	2,444,267
Revenue from other sources		
Gross rental income	**666,318**	633,180
Credit services	**221,449**	159,706
	887,767	792,886
	3,075,959	3,237,153

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Rental income is recognised on a time proportion basis over the lease terms. Credit services income is recognised when the relevant services are rendered.

Other operating revenues

	2025	2024
	RMB'000	*RMB'000*
Credit card handling fees	**18,216**	21,942
Promotion income	**45,482**	49,662
Electricity and water fees	**137,236**	133,338
Administration fees	**162,485**	158,685
Display space and equipment leasing income	**57,029**	57,496
Service fees	**18,053**	21,349
Government grants *(Note)*	**4,329**	5,577
Other income arising from the recognition of net investments in subleases	**16,250**	505
Other income arising from lease modification and termination	**138,668**	25,104
Other income	**24,350**	15,841
	622,098	489,499

Note:

Various local government grants have been granted to reward the Group for its contributions to the local economy. There were no unfulfilled conditions or contingencies attaching to these government grants.

Segment information

For management purposes, the Group has one major operating segment, which is "Retail". The Group operates department stores, shopping malls, outlets and supermarkets mainly in the PRC. Revenues arising from this segment include sales of goods in direct sales, commissions from concessionaire sales, consultancy and management service fees and rental income from tenants. Besides, the Group provides consumer financing business which is carried out by Parkson Credit Sdn. Bhd. ("Parkson Credit") in Malaysia.

Revenue from external customers are mostly generated in the PRC and almost all significant operating assets of the Group are located in the PRC. Since revenue from external customers and non-current assets excluding financial instruments and deferred tax assets of overseas companies outside the PRC are not material to the Group's consolidated revenue and non-current assets excluding financial instruments and deferred tax assets, management believes there is no need to disclose geographical information.

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2025	2024
	RMB'000	*RMB'000*
Staff costs excluding directors' and chief executive's remuneration:		
– Wages, salaries and bonuses	**332,376**	354,629
– Pension scheme contributions *	**38,325**	42,321
– Social welfare and other costs	**88,586**	71,676
	459,287	468,626
Directors' and chief executive's remuneration	**10,168**	10,732
Total staff costs	**469,455**	479,358
Rental expenses in respect of leased properties:		
– Lease payments not included in the measurement of lease liabilities	**72,709**	80,383
Gross rental income in respect of investment properties	**(207,447)**	(207,451)
Lease income in respect of subleases of properties under operating lease:		
– Minimum lease payments **	**(328,817)**	(291,768)
– Contingent lease payments ***	**(130,054)**	(133,961)
Total gross rental income	**(666,318)**	(633,180)
Cost of inventories recognised as expenses	**1,429,374**	1,562,074
Depreciation and amortisation	**455,883**	498,474
Impairment of trade receivables	**83,029**	29,201
Impairment of prepayments and other receivable	**27,294**	19,924
Impairment of property, plant and equipment	**102,971**	49,400
Impairment of right-of-use assets	**72,251**	31,246
Impairment of goodwill	**104,400**	100,275
Losses on disposal of property, plant and equipment	**4,357**	2,166
Foreign exchange differences, net	**6,472**	47,018
Auditor's remuneration	**3,390**	3,520
Direct operating expenses arising from rental-earning investment properties	**21,176**	21,176

* As at 31 December 2025 and 2024, the Group had no forfeited contributions available to reduce its existing level of contributions to the retirement benefit schemes in future years.

** Minimum lease payments of the Group include pre-determined rental payments and minimum guaranteed rental payments for lease agreements with contingent rental payments.

*** Contingent lease payments are calculated based on a percentage of the relevant financial performance of the tenants pursuant to the relevant rental agreements.

6. FINANCE INCOME/(COSTS)

	2025	2024
	RMB'000	*RMB'000*
Finance income:		
Bank interest income	**19,872**	20,776
Gain on redemption of financial assets at fair value through profit or loss	**894**	–
Change of fair value of financial assets at fair value through profit or loss	**622**	1,422
Finance income on the net investments in subleases	**9,396**	16,392
	30,784	38,590
Finance costs:		
Interest on lease liabilities	**(282,109)**	(269,934)
Interest on interest-bearing bank loans and other borrowings	**(143,807)**	(175,963)
	(425,916)	(445,897)
Finance costs, net	**(395,132)**	(407,307)

7. INCOME TAX EXPENSE

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

An analysis of income tax expense is as follows:

	2025	2024
	RMB'000	*RMB'000*
Current income tax	**72,677**	87,101
Deferred tax	**(474)**	(60,505)
	72,203	26,596

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

The calculations of basic and diluted loss per share are based on:

	2025	2024
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculations	**(185,863)**	(174,759)

	2025	2024
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	**2,634,532**	2,634,532

9. DIVIDEND

	2025	2024
	RMB'000	*RMB'000*
Interim dividend paid of RMB0.02 (2024: RMB0.02) per ordinary share	**52,690**	52,690

The Board has resolved not to declare any final dividend for the year ended 31 December 2025 (2024: nil). The Company declared and paid an interim dividend of RMB0.02 (2024: RMB0.02) in cash per share.

10. TRADE RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Current		
Third party	**460,678**	373,982
Less: Impairment allowance	**(14,712)**	(7,592)
	445,966	366,390
Non-current		
Third party	**855,836**	687,137
Less: Impairment allowance	**(19,011)**	(10,004)
	836,825	677,133
	1,282,791	1,043,523

Trade receivables mainly arise from purchase by customers with credit card and credit services arise from loan receivables. The credit period of trade receivables is generally one month. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances, except for loan receivables which are secured over the motor vehicles of customers. Among the balance, RMB1,240,791,000 (2024: RMB977,799,000) are with an interest rate ranging from 6.6% to 16.0% (2024: 6.6% to 16.0%), depending on the payment term of loan receivables, while others are interest-free.

As at 31 December 2025, Parkson Credit's trade receivables of RMB620,769,000 (2024: RMB412,279,000) and unrealised receivable of RMB153,101,000 (2024: RMB103,746,000) which will be due within 48 months, were pledge to secure Parkson Credit's bank loans in Riggit Malaysia.

An ageing analysis of the trade receivables as at 31 December 2025 and 2024, based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**445,966**	366,390
1 to 2 years	**373,536**	276,937
Over 2 year	**463,289**	400,196
	1,282,791	1,043,523

11. TRADE PAYABLES

An ageing analysis of the trade payables, based on the recognition date, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**426,885**	562,875
4 to 12 months	**9,037**	3,430
Over 1 year	**19,111**	19,876
	455,033	586,181

12. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting of the Company, which is scheduled on Monday, 18 May 2026 (the "AGM"), the register of members of the Company will be closed from Wednesday, 13 May 2026 to Monday, 18 May 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrars in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 12 May 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board would like to present the annual results of the Group for the year ended 31 December 2025.

Economic Review

The year 2025 unfolded against a backdrop of persistent global uncertainty. The world appears to have settled into a "low growth, high volatility" paradigm, shaped by escalating trade tensions, geopolitical instability, and unpredictable policy shifts. In this challenging environment, the People's Republic of China ("PRC") demonstrated commendable resilience. While the PRC's consumption market shows signs of recovery, it remains characterised by cautious spending and increasingly fragmented consumer segments. In response, the PRC government has introduced targeted fiscal incentives and sector-specific support measures aimed at reinvigorating economic momentum.

According to the latest data released by the National Bureau of Statistics of China, the PRC's GDP reached RMB140.19 trillion in 2025, representing a 5.0% increase from 2024. In addition, total retail sales of consumer goods in the PRC grew by 3.7% year-on-year, reflecting a gradual but steady recovery in consumer activity.

Business Review

For the year under review, the Group recorded gross sales proceeds of RMB7,745.6 million (including value-added tax), representing a decrease of 10.9% compared to the previous year. The decline was primarily driven by structural shifts in consumer spending behavior and heightened caution in consumer spending amid macroeconomic headwinds and muted income growth expectation. Same-Store-Sales ("SSS") decreased by 16.6% compared to the year before and the overall gross profit margin of the Group was 13.7% in 2025. The operating profit of the Group was RMB262.0 million as compared to RMB244.9 million the previous year, representing an increase of 7.0%.

As at 31 December 2025, the Group and its associates operated and managed 40 Parkson stores, comprising department stores, shopping malls, outlets, the "Parkson Beauty" concept store and supermarkets, as well as 2 Parkson Newcore City Malls, across 23 cities in the PRC and Laos.

Redefining Retail For The Future

Consumer expectations in the PRC are evolving rapidly. Today's shoppers seek more than products. They demand authenticity, value, emotional connection, and immersive experiences. In response, the Group is actively reshaping its identity from a traditional retailer into an innovator of integrated lifestyle destinations.

This strategy centers on transforming physical spaces from 'transactional marketplaces' into 'lifestyle innovation destinations'. Throughout 2025, the Group advanced this vision through several landmark initiatives.

In May 2025, Datong Parkson Outlets officially commenced operations as the Group's third store in Datong City. It is positioned as a key "commerce + cultural tourism" destination in North China, offering a seamless one-stop "stay–shop–dine–entertain" experience. Together with Datong Parkson Yongtai Store (a premium department store) and Datong Parkson Yunzhong Store (a full-scale shopping mall), the three stores form a synergistic retail ecosystem tailored to diverse consumer needs.

In October 2025, the Group launched its fifth store, Mianyang Shangma Parkson, in Mianyang City. This development marked the Group's first "technology-driven experiential shopping mall", centered around four core pillars "technology integration, debut store initiatives, a national food hall, and interactive family experiences", bringing immersive, real-world technologies to local residents to use and enjoy on a daily basis.

During the year under review, the Group completed major renovations at its key stores. Hefei Parkson is now a thriving ACGN (Anime, Comics, Games, Novels)-themed youth hub featured on CCTV-13, while Harbin Parkson introduced multiple regional flagship stores anchored by popular IPs (Intellectual Property) such as Pop Mart's first SKULLPANDA wood grain image store and TEENIE WEENIE Teddy Bear concept store. Shanghai Huaihai Parkson replaced its supermarket with a vibrant food hall and welcomed the Chinese debut of Korean fashion brand "Musinsa Standard", reinforcing its status as a trendsetting urban destination.

The above transformation examples reflect the Group's commitment to its strategic principle: "pursue progress in stability; discard the old to embrace the new." The Group is currently in a deliberate transition phase, phasing out legacy formats and investing in next-generation retail concepts. While this transformation requires time and additional capital, and may exert short-term pressure on performance, the Group views it as essential to ensure that it remains aligned with the expectations of today's retail standards.

As part of this strategic reset, the Group has conducted a comprehensive portfolio review and commenced the phasing out of underperforming stores with aging infrastructure and outdated facilities. This initiative is fundamental in elevating the overall shopping experience, ensuring that every store provides a comfortable, modern, and high-quality environment that appeals to discerning consumers and reinforces the Group's competitive edge.

Outlook And Future Plans

Moving into 2026, the retail landscape is expected to remain competitive and fast-changing. Yet, we are confident in our ability not only to adapt, but also to lead. Our priorities remain clear: deepen customer engagement, accelerate format innovation, optimise our portfolio, and pursue disciplined expansion in markets where we hold strong footholds.

We recognise that transformation is neither immediate nor easy. However, the foundations we are laying today – through experiential design, digital integration, brand curation, and community-centric spaces – will position the Group for sustainable, long-term value creation.

FINANCIAL REVIEW

Total GSP and operating revenues

Total GSP (inclusive of value-added tax) decreased by 10.9% to RMB7,745.6 million in 2025. The decrease in GSP was a result of structural shifts in consumer spending behavior and heightened caution in consumer spending amid macroeconomic headwinds and muted income growth expectation. SSS decreased by 16.6% in 2025.

Total merchandise sales

	2025		2024		**Year-on-year change** *(%)*
	RMB'000	***% of total***	*RMB'000*	*% of total*	
Concessionaire sales	**3,877,399**	**70.3%**	4,756,267	72.6%	(18.5%)
Direct sales	**1,636,705**	**29.7%**	1,798,059	27.4%	(9.0%)
	5,514,104	**100.0%**	6,554,326	100.0%	(15.9%)

Total merchandise sales (net of value-added tax) decreased by RMB1,040.2 million or 15.9% to RMB5,514.1 million in 2025. Concessionaire sales which constituted 70.3% of the Group's total merchandise sales in 2025 decreased by 18.5% as compared to 2024 while direct sales decreased by 9.0% as compared to 2024. The merchandise sales in 2025 decreased across both concessionaire sales and direct sales as compared to 2024 as a result of structural shifts in consumer spending behavior and heightened caution in consumer spending amid macroeconomic headwinds and muted income growth expectation.

Merchandise gross margin

The Group's merchandise gross margin (the combination of concessionaire commission rate and direct sales margin) increased from 13.3% in 2024 to 13.7% in 2025.

Total operating revenues

Total operating revenues of the Group decreased by RMB28.6 million or 0.8% to RMB3,698.1 million in 2025. The decrease in total operating revenues was mainly due to the decrease in sale of goods from direct sales and commissions from concessionaire sales and was partially offset by the increase in other income arising from lease modification and termination and increase in revenue from credit services.

Revenue from contracts with customers consists of sales of goods from direct sales, commissions from concessionaire sales and consultancy and management service fees and constituted 59.2% of the total operating revenues in 2025. Revenue from contracts with customers decreased by RMB256.1 million or 10.5% compared to 2024.

Operating expenses

Purchases of goods and changes in inventories

Purchases of goods and changes in inventories represent the cost of sales for direct sales, which decreased by RMB132.7 million or 8.5% from RMB1,562.1 million in 2024 to RMB1,429.4 million in 2025. The decrease was mainly due to decrease in direct sales and thus decrease in procurement of goods from third party vendors.

Staff costs

Staff costs decreased by RMB9.9 million or 2.1% to RMB469.5 million in 2025 from RMB479.4 million in 2024, mainly due to cost controlling during 2025 and was partially offset by increased in staff cost for stores closure in 2025. On a same store basis, staff costs decreased by 7.3%.

Staff costs as a percentage of GSP was 6.7% in 2025, as compared to 6.1% in 2024.

Depreciation and amortisation

Depreciation and amortisation decreased by 8.5% from RMB498.5 million in 2024 to RMB455.9 million in 2025. The decrease was mainly due to fully depreciated leasehold improvements for certain stores and closure of underperforming stores. In 2025, depreciation expense on the right-of-use assets of the properties of RMB282.3 million was recognised as compared to RMB299.5 million in 2024. On a same store basis, depreciation and amortisation decreased by 4.5%.

Depreciation and amortisation as a percentage of GSP was 6.5% in 2025, as compared to 6.4% in 2024.

Rental expenses

Rental expenses decreased by RMB7.7 million or 9.5% to RMB72.7 million in 2025 from RMB80.4 million in 2024. The decreased in rental expenses was mainly due to decrease in variable rent and closure of underperforming stores. On a same store basis, rental expenses decreased by 6.2%.

Rental expenses as a percentage of GSP was 1.0% in 2025 and 2024.

Other operating expenses

Other operating expenses, which consist primarily of (a) utilities cost; (b) marketing, promotional and selling expenses; (c) property management expenses; (d) general administrative expenses; and (e) city development and educational surcharge, increased by 17.1% to RMB1,008.6 million in 2025 from RMB861.5 million in 2024. The increased in other operating expenses mainly due to assets impairment of RMB389.9 million was provided in 2025 as compared to RMB230.0 million provided in 2024. On a same store basis, other operating expenses increased by 5.6%.

Other operating expenses as a percentage of GSP was 14.3% in 2025, as compared to 11.0% in 2024.

Profit from operations

The Group recorded profit from operations of RMB262.0 million for 2025 as compared to RMB244.9 million in 2024.

Profit from operations as a percentage of GSP was 3.7% in 2025, as compared to 3.1% in 2024.

Finance income/costs

The Group incurred net finance costs of RMB395.1 million in 2025 which represented a decrease of RMB12.2 million or 3.0% compared to RMB407.3 million in 2024. For interest expense on lease liabilities, RMB282.1 million was recognised in finance cost in 2025 as compared to RMB269.9 million in 2024. For interest income on the net investments in sublease, RMB9.4 million was recognised in finance income in 2025 as compared to RMB16.4 million in 2024.

Share of profit of associates

The share of profit from associates was RMB12.8 million in 2025 and RMB14.5 million in 2024.

Loss before tax

Loss before tax was RMB120.3 million in 2025 as compared to RMB147.9 million in 2024. The loss before tax in 2025 was primarily due to decline in revenue and the increase in assets impairment provision.

Loss before tax as a percentage of GSP was (1.7%) in 2025 and (1.9%) in 2024.

Income tax expense

The Group's income tax expense is RMB72.2 million in 2025 as compared to RMB26.6 million in 2024.

Loss for the year

The Group's recorded loss of RMB192.5 million in 2025 and RMB174.5 million in 2024.

Loss attributable to owners of the Company

Loss attributable to the owners of the Company was RMB185.9 million in 2025 and RMB174.8 million in 2024.

Liquidity and financial resources

As at 31 December 2025, the Group had cash and bank balances of RMB1,457.2 million (2024: RMB1,466.5 million), time deposits of RMB46.6 million (2024: RMB35.4 million), financial assets at fair value through profit or loss of RMB77.2 million (2024: RMB66.7 million) and restricted cash of RMB60.7 million (2024: RMB64.0 million).

The Group's cash and cash equivalents are mainly denominated in Renminbi with the remaining denominated in United States dollars, Hong Kong dollars, Ringgit Malaysia and others.

Total debt to total assets ratio of the Group was 26.4% (2024: 24.7%) as at 31 December 2025.

Current assets and net assets

The Group's current assets as at 31 December 2025 was RMB2,798.1 million. Net assets of the Group as at 31 December 2025 was RMB2,886.2 million.

Information on the financial products

The Group's financial assets at fair value through profit or loss consisted of non-principal-preservation type wealth management products managed by licensed financial institutions in the PRC. As at 31 December 2025, the fair value of these products was RMB77.2 million.

Pledge of Assets

As at 31 December 2025, the Group has pledge trade receivables of RMB620.8 million, pledged buildings, investment properties and leasehold land with a net carrying amount of approximately RMB1,281.7 million, RMB502.7 million and RMB292.8 million respectively to secure general bank loans. The Group has pledged unrealised receivables of RMB153.1 million which will be due within 48 months to secure the general interest-bearing bank loans. In addition, the Group has pledged deposits of RMB26.7 million held in designated bank accounts for performance guarantee.

Other than the aforesaid, no other assets are pledged to any bank or lender.

EMPLOYEES

As at 31 December 2025, total number of employees for the Group was 3,042. The Group ensures that all levels of employees are paid competitively within the standard in the market and employees are rewarded on performance related basis within the framework of the Group's salary, incentives and bonus scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed interest in any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

During the year ended 31 December 2025 the Company has fully complied with the Corporate Governance Code (the "CG Code") (to the extent that such provisions are applicable) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (collectively, the "Listing Rules").

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "Model Code") as its code of conduct regarding the Directors' securities transaction. Specific enquiry has been made to all the Directors and all Directors have confirmed that they have complied with the standards as set out in the Model Code throughout the year ended 31 December 2025.

AUDIT COMMITTEE

The Audit Committee has been established by the Company to review the financial reporting matters, internal control and maintain an appropriate relationship with the Company's external auditor. The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2025, including the accounting principles and policies adopted by the Group. The Audit Committee comprises the non-executive director and three independent non-executive directors of the Company, one of whom who has appropriate professional qualification and experience in financial matters as required by the Listing Rules.

SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Company's auditors, Grant Thornton Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Grant Thornton Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Grant Thornton Hong Kong Limited on the preliminary announcement.

PUBLICATION OF FINAL RESULTS

This announcement will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company. The 2025 annual report will be despatched to shareholders of the Company and available on the above websites in due course.

ACKNOWLEDGEMENT

I would like to thank the Board, management and all our staff for their hard work and dedication. I would also like to thank the shareholders and business associates for their strong support to the Group.

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

24 February 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.