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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)

DISCLOSEABLE TRANSACTION: RENEWAL OF TENANCY IN MIANYANG CITY, SICHUAN PROVINCE, THE PRC

MIANYANG RENEWAL AGREEMENT

On 13 March 2026, the Tenant, an indirect wholly-owned subsidiary of the Company, entered into the Mianyang Renewal Agreement with the Landlord in respect of the renewal of the Mianyang Tenancy. The Tenant has been occupying the Property for its retail business since 1998. Pursuant to the Mianyang Renewal Agreement, the parties have agreed to renew the Mianyang Tenancy for a term of 10 years commencing from 25 October 2027.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to IFRS 16, the Group is required to recognise the Property as right-of-use asset. Thus, the entering into of the Mianyang Renewal Agreement and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules. The consideration for the acquisition of the right-of-use asset recognised by the Group pursuant to IFRS 16 is approximately RMB72.0 million, which is calculated based on the present value of the rent payments to be made under the Mianyang Renewal Agreement in accordance with IFRS 16.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the consideration for the acquisition of the right-of-use asset recognised by the Group pursuant to IFRS 16 is more than 5% but less than 25%, the entering into of the Mianyang Renewal Agreement constitutes a discloseable transaction for the Company, and is therefore subject to reporting and announcement requirements but is exempted from circular and shareholders' approval requirements under the Chapter 14 of the Listing Rules.

MIANYANG RENEWAL AGREEMENT

The Board is pleased to announce that on 13 March 2026, the Tenant and the Landlord had entered into the Mianyang Renewal Agreement, pursuant to which the parties agreed to the terms of the renewed tenancy for the Property. The Tenant has been occupying the Property for its retail business since 1998. Pursuant to the Mianyang Renewal Agreement, the parties have agreed to renew the Mianyang Tenancy for a term of 10 years commencing from 25 October 2027.

A summary of the principal terms of the Mianyang Renewal Agreement and other relevant information is as follows:

Date	:	13 March 2026	
Parties	:	Tenant:	Mianyang Fulin Parkson Plaza Co., Ltd.* (綿陽富臨百盛廣場有限公司)
		Landlord:	Sichuan Mianyang Fulin Real Estate Development Co., Ltd.* (四川綿陽富臨房地產開發有限公司)
Property	:	Levels 1 and 2 of the premises located at No. 17 of Anchang Road, Fucheng District, Mianyang City, Sichuan Province, the PRC* (中國四川省綿陽市涪城區安昌路17號)	
Total gross area	:	19,784.52 sq. m.	
Tenancy term (i.e. the "**Term**")	:	25 October 2027 to 24 October 2037	

Rent and payment terms : Set out below is the rental payable by the Tenant during the Term:

Year	Rental/per annum (including tax)
1st to 2nd	RMB10,617,164.76
3rd to 4th	RMB10,724,001.24
5th to 6th	RMB10,830,837.60
7th to 8th	RMB10,940,048.16
9th to 10th	RMB11,049,258.72

The rental during the Term shall be paid on a quarterly basis in advance.

No deposit is required to be made by the Tenant under the Mianyang Renewal Agreement. The prior deposit made under the original tenancy had been utilised entirely to off-set the rental payable under the original tenancy.

Use : Operation of department store, including but not limited to convenience stores, gold and jewelry, accessories, computers, mobile phones, watches and eyewear, sports and cultural goods, books and audio-visual products, pharmaceuticals, home appliances, clothing and footwear, cosmetics and toys; and the provision of services such as wholesale logistics, catering, film and television, entertainment, bars, cafés, tea houses, Chinese and Western pastries, photography, color printing and photo development, beauty and hairdressing, wedding services, fitness centers, business activity centers, as well as the establishment of offices and warehouses, and other commercial activities within the business scope of the Tenant under the trademark and trade name of the「百盛」and "Parkson" in the Property.

Right to sub-let	:	The Tenant shall be entitled to the full and exclusive right of operation and use of the Property and has the right to sub-let any part of the Property during the Term in accordance to its business operation.
Renewal	:	If the Tenant wishes to renew the Mianyang Tenancy, the Tenant shall notify the Landlord in writing not less than one year prior to the expiration of the Term. The Tenant and the Landlord shall sign a new tenancy agreement upon reaching mutual agreement on the new tenancy terms. In the case of failure to reach mutual agreement on the new tenancy terms, the Mianyang Renewal Agreement will be terminated upon the expiration of the Term. Upon the expiry of the Term, the Landlord may lease the Property to a third party, provided that the Tenant has the right of priority to renew the Mianyang Tenancy under the same terms as agreed between the Landlord and such third party.
Termination	:	Save as expressly provided, neither party may terminate the Mianyang Renewal Agreement prior to the expiration of the Term. The circumstances under which either party may terminate the Mianyang Renewal Agreement include: (a) the rights of use of the land on which the Property is erected becomes subject to requisition, expropriation or forced demolition by the government; (b) the occurrence of force majeure events resulting in the Tenant's inability to continue its business operation; (c) early termination as agreed by both parties; and

(d) the Mianyang Renewal Agreement cannot be performed as a result of the implementation and promulgation of national policies, laws and regulations.

The Tenant is also entitled to terminate the Mianyang Renewal Agreement prior to the expiration of the Term free from any liability for breach of Mianyang Renewal Agreement, provided that: (i) the Tenant has operated in the Property for three (3) years starting from the commencement date of the Term; and (ii) the Tenant's accumulated losses exceed RMB20 million, as determined by an audit report issued by an accounting firm engaged by the Tenant. Where the Tenant exercises such termination right, it shall notify the Landlord in writing 30 days in advance. The Mianyang Renewal Agreement shall be terminated upon expiration of 30 days from the date on which such written notice is delivered to the Landlord.

Assignment : Within the Term, the Tenant may assign its rights, obligations and liabilities under the Mianyang Renewal Agreement to its related company, provided that: (i) a written notification is delivered to the Landlord; (ii) the assignee shall assume all rights and obligations under the Mianyang Renewal Agreement; and (iii) it shall continue to operate and use the Property under the「百盛」and "Parkson" trademarks.

BASIS FOR DETERMINATION OF THE RENT AND OTHER INFORMATION

The terms of the Mianyang Renewal Agreement were determined after arm's length negotiations between the Tenant and the Landlord, with reference to factors including the prevailing market rates for properties of similar nature, the location of the Property being in a core business district, and the environment, maintenance condition, size, decoration standard and other physical characteristics of the Property.

The rent and other amounts payable by the Tenant under the Mianyang Tenancy are expected to be financed by its net sales revenue and the internal resources of the Group.

INFORMATION OF THE PARTIES

The Group

The principal activities of the Group are the operation and management of a network of department stores, shopping malls, outlets and supermarkets mainly in the PRC.

The Tenant

The Tenant is an indirect wholly-owned subsidiary of the Company principally engaged in the operation of department store in Mianyang City, Sichuan Province, the PRC.

The Landlord

The Landlord is a company established in the PRC and its scope of business primarily includes development, construction, sale and lease of real estate in the PRC.

To the best knowledge and belief of the Directors, and having made all reasonable enquiries, the equity interest of the Landlord is directly owned as 70% by Sichuan Fulin Industrial Group Co., Ltd.*（四川富臨實業集團有限公司）and 30% by United States Zhongtian Trading Co., Ltd.*（美國中天商貿有限公司）.

The equity interest of Sichuan Fulin Industrial Group Co., Ltd.*（四川富臨實業集團有限公司）is owned as to 65% by An Zhi Fu（安治富）, 20% by An Dong（安東）, 10% by Nie Dan（聶丹）, 2.5% by Xu Bo（許波）and 2.5% by An Zhou（安舟）.

The equity interest of United States Zhongtian Trading Co., Ltd.*（美國中天商貿有限公司）is owned as to 100% by An Zhi Fu（安治富）.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Landlord and their respective ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons (as defined under the Listing Rules).

REASONS FOR AND BENEFITS OF THE MIANYANG RENEWAL AGREEMENT

The Group has maintained a long-standing presence in Mianyang City of the Sichuan Province, the PRC, operating its department store business at the Property ("**Mianyang Fulin Department Store**") almost 28 years. This sustained footprint has enabled the Group to build strong brand recognition, customer loyalty, and institutional goodwill in the region. The Property, located in a prime commercial area of the city, has evolved into a strategic retail asset, attracting a diverse mix of brands and fostering valuable relationships with government and commercial stakeholders. The Mianyang Fulin Department Store benefits from a stable and broad customer base, remains highly attractive for flagship operations, and has contributed meaningfully to the Group's regional success.

The Board is of the view that the terms of the Mianyang Renewal Agreement are fair and reasonable. Having taken into account the above reasons and benefits, the Board considers that the entering into of the Mianyang Renewal Agreement and the transactions contemplated thereunder are in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER LISTING RULES

Pursuant to IFRS 16, the Group is required to recognise the Property as right-of-use asset. Thus, the entering into of the Mianyang Renewal Agreement and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules. The consideration for the acquisition of the right-of-use asset recognised by the Group pursuant to IFRS 16 is approximately RMB72.0 million, which is calculated based on the present value of the rent payments to be made under the Mianyang Renewal Agreement in accordance with IFRS 16.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the consideration for the acquisition of the right-of-use asset recognised by the Group pursuant to IFRS 16 is more than 5% but less than 25%, the entering into of the Mianyang Renewal Agreement constitutes a discloseable transaction for the Company, and is therefore subject to reporting and announcement requirements but is exempted from circular and shareholders' approval requirements under the Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement unless the context otherwise requires, the following expressions shall have the following meaning:

"Board"	means the board of Directors
"Company"	means Parkson Retail Group Limited 百盛商業集團有限公司, a company incorporated in the Cayman Islands
"Directors"	means the directors of the Company
"Group"	means the Company and its subsidiaries
"Hong Kong"	means the Hong Kong Special Administrative Region of the PRC
"IFRS 16"	means the "International Financial Reporting Standard 16 – Leases" issued by the International Accounting Standards Board, which sets out principles for recognition, measurement and disclosure of leases
"Landlord"	means Sichuan Mianyang Fulin Real Estate Development Co., Ltd.*（四川綿陽富臨房地產開發有限公司）
"Listing Rules"	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Property"	means the levels 1 and 2 of the premises located at No. 17 of Anchang Road, Fucheng District, Mianyang City, Sichuan Province, the PRC*（中國四川省綿陽市涪城區安昌路17號）
"Mianyang Renewal Agreement"	means the renewal tenancy agreement in respect of the Property entered into between the Landlord and the Tenant on 13 March 2026

"Mianyang Tenancy"	means the tenancy for the Property as renewed pursuant to the Mianyang Renewal Agreement
"PRC"	means the People's Republic of China and, for the purposes of this announcement only, excludes Hong Kong, Macau Special Administrative Region and Taiwan
"RMB"	means Renminbi, the lawful currency of the PRC
"sq. m."	means square metres
"Tenant"	means Mianyang Fulin Parkson Plaza Co., Ltd.* (綿陽富臨百盛廣場有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
"Term"	means the term of the Mianyang Renewal Agreement, being from 25 October 2027 to 24 October 2037
"%"	means per cent

For and on behalf of the Board
PARKSON RETAIL GROUP LIMITED
Tan Sri Cheng Heng Jem
Executive Director and Chairman

13 March 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 of the Company is Dato' Sri Dr. Hou Kok Chung and the Independent Non-executive Directors of the Company are Dato' Fu Ah Kiow, Mr. Yau Ming Kim, Robert and Datuk Koong Lin Loong.

* *For identification purposes only. For ease of reference, the location of the Property and the names of the PRC established companies or entities are included in this announcement in both Chinese and English languages and in the event of inconsistency, the Chinese language shall prevail.*