

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

MAJOR TRANSACTION
RENEWAL OF TENANCY IN NANCHANG CITY,
JIANGXI PROVINCE, THE PRC

NANCHANG RENEWAL AGREEMENT

On 9 September 2026, Jiangxi Parkson (as tenant), an indirect wholly-owned subsidiary of the Company, entered into the Nanchang Renewal Agreement with the Landlord in respect of the Nanchang Tenancy. Jiangxi Parkson has been occupying the Nanchang Property as tenant for its retail business since 2007 pursuant to the Nanchang Original Tenancy Agreement, with the current tenancy expiring on 31 December 2026. Pursuant to the Nanchang Renewal Agreement, the term of the Nanchang Tenancy will be extended until 31 December 2041.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to IFRS 16, the Group is required to recognise the Nanchang Property as a right-of-use asset. Thus, the entering into of the Nanchang 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 RMB185.0 million, which is calculated based on the present value of the rent payments to be made under the Nanchang 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 25% but less than 100%, the entering into of the Nanchang Renewal Agreement constitutes a major transaction for the Company, and is therefore subject to announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDERS' APPROVAL

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, no Shareholder or any of their respective associates has any material interest in the Nanchang Tenancy or the Nanchang Renewal Agreement. Accordingly, none of the Shareholders is required to abstain from voting on the resolutions to approve the entering into of the Nanchang Renewal Agreement and the transactions contemplated thereunder, if the Company were to convene a general meeting to seek such approval.

A closely allied group of Shareholders interested in an aggregate of 1,448,270,000 Shares, representing approximately 54.97% of the total number of issued shares of the Company, has given its written approval on the entering of the Nanchang Renewal Agreement and the transactions contemplated thereunder. The aforesaid Shareholders are (i) East Crest International Limited which holds 9,970,000 Shares, representing 0.38% of the total number of issued shares of the Company; and (ii) PRG Corporation Limited which holds 1,438,300,000 Shares, representing 54.59% of the total number of issued shares of the Company. PRG Corporation Limited is a wholly-owned subsidiary of East Crest International Limited.

The written approval of the aforesaid group of Shareholders has been accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting will be convened by the Company to approve the entering into of the Nanchang Renewal Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, among other things, information relating to the Nanchang Renewal Agreement and the Nanchang Tenancy is expected to be despatched to the Shareholders for information purposes only in accordance with Rule 14.41(a) of the Listing Rules on or before 25 September 2026.

INTRODUCTION

NANCHANG RENEWAL AGREEMENT

The Board is pleased to announce that on 9 September 2026, Jiangxi Parkson had entered into the Nanchang Renewal Agreement with the Landlord, pursuant to which the parties agreed to the terms of the renewed tenancy for the Nanchang Property. Jiangxi Parkson has been occupying the Nanchang Property as tenant for its retail business since 2007 pursuant to the Nanchang Original Tenancy Agreement, with the current tenancy expiring on 31 December 2026. Pursuant to the Nanchang Renewal Agreement, the term of the Nanchang Tenancy will be extended until 31 December 2041.

A summary of the principal terms of the renewed Nanchang Tenancy and other relevant information is as follows:

Date	:	9 September 2026
Parties	:	Tenant: Jiangxi Parkson Landlord: Jiangxi Kaimei Development Co., Ltd.
Property	:	A basement-level floor and levels 1 to 4 above the ground floor of the premises located at No. 177, Zhongshan Road, Nanchang City, Jiangxi Province, the PRC.
Total gross area	:	31,955.45 sq. m.
Tenancy term (i.e. the “ Term ”)	:	1 January 2027 to 31 December 2041

Rent and payment terms : The rental during the Term shall be paid on a quarterly basis in advance.

Set out below is the rental payable by the Tenant during the Term:

Year	Total Rental per annum <i>(including value-added tax)</i> <i>(RMB)</i>
1 st to 3 rd	21,950,000
4 th to 6 th	22,718,250
7 th to 9 th	23,513,389
10 th to 12 th	24,336,357
13 th to 15 th	25,188,130

Deposit : RMB15 million

The deposit of RMB1.3 million previously paid under the Nanchang Original Tenancy Agreement, together with the RMB2.0 million previously paid under the letter of intent for the renewal shall be automatically carried forward and applied as part of the deposit, and the remaining balance of RMB11.7 million shall be paid by Jiangxi Parkson within sixty (60) calendar days after signing the Nanchang Renewal Agreement and becomes effective.

The deposit shall be returned to Jiangxi Parkson without interest within ten (10) business days upon the expiration of the Term or the termination of the Nanchang Tenancy, after Jiangxi Parkson has settled all rent and other expenses, performed of all obligations without breach and returned the Nanchang Property to the Landlord pursuant to the Nanchang Renewal Agreement.

Use : Operation of shopping center, including but not limited to convenience stores, gold and jewellery, accessories, computers, mobile phones, watches and eyewear, sports, 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, colour 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 Nanchang Property.

Right to sub-let : Jiangxi Parkson shall have the operational rights and usage rights over the Nanchang Property, and may determine its business model therein, including self-operation, joint operation, sub-letting part(s) of the Nanchang Property.

Any sublet entered into shall in no event extend beyond the Term of the Nanchang Renewal Agreement. Jiangxi Parkson shall be solely responsible for, and shall assume all obligations and liabilities of the lessor arising under any such sublet.

Renewal : If Jiangxi Parkson wishes to further renew the Nanchang Tenancy, it shall serve a written request to the Landlord no less than one hundred and eighty (180) days prior to the expiration of the Term, Jiangxi Parkson shall enjoy a right of first refusal under terms and conditions equal to those offered to any third party. The parties shall negotiate in good faith the terms of renewal and, upon reaching agreement, shall execute a new tenancy agreement.

Otherwise, the Nanchang Tenancy will automatically terminate upon expiration of the Term, and the Landlord may then lease the Nanchang Property to a third party. However, the terms offered to such third party must not be more favorable than those previously offered to Jiangxi Parkson. Should more favorable terms be extended to the third party, Jiangxi Parkson shall retain the right of first refusal on such terms.

Termination : Save as expressly provided in the Nanchang Renewal Agreement, neither party may terminate the Nanchang Renewal Agreement prior to the expiration of the Term.

The circumstances under which either party may terminate the Nanchang Renewal Agreement, in whole or in part as applicable, shall include the following:

- (a) land requisition or forced demolition by the government;
- (b) the occurrence of force majeure events resulting in the inability to continue operations;
- (c) mutual agreement between Jiangxi Parkson and the Landlord; and

- (d) the implementation or promulgation of national policies, laws, or regulations that make continued performance of the Nanchang Renewal Agreement impossible.

Jiangxi Parkson is also entitled to terminate the Nanchang Renewal Agreement prior to the expiration of the Term free from any liability for breach of Nanchang Renewal Agreement, provided that during the Term its accumulated losses exceed RMB50 million, as determined by an audit report issued by an accounting firm jointly engaged by Jiangxi Parkson and the Landlord. Where Jiangxi Parkson exercises such termination right, it shall notify the Landlord in writing 90 calendar days in advance. The Nanchang Renewal Agreement shall be terminated upon expiration of 90 calendar days from the date on which such written notice is delivered to the Landlord.

Effective date : The Nanchang Renewal Agreement shall become effective upon the Company obtaining the Shareholders' approval on the Nanchang Renewal Agreement and the transactions contemplated thereunder.

BASIS FOR DETERMINATION OF THE RENT AND OTHER INFORMATION

The terms of the Nanchang Renewal Agreement was determined after arm's length negotiations between Jiangxi Parkson and the Landlord, with reference to the prevailing market rates for properties of similar nature to the Nanchang Property, and also located in core business districts, as adjusted based on differences in various aspects such as location and environment, age and maintenance, size, decoration standard, floors and other physical characteristics.

The rent and other amounts payable by Jiangxi Parkson under the Nanchang Renewal Agreement 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.

Jiangxi Parkson

Jiangxi Parkson is an indirect wholly-owned subsidiary of the Company principally engaged in the operation of department stores in Nanchang City.

Landlord

Jiangxi Kaimei Development Co., Ltd. is a company established in the PRC and its scope of business primarily includes development and operation of real estate and property 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 wholly-owned by Sino Wealth Holding Limited.

Sino Wealth Holding Limited is owned as to 40% by Ho Kai Jing, 40% by Ho Ka Hung and 10% each by Ho Ching and To Sau Ying.

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) as at the date of this announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NANCHANG RENEWAL AGREEMENT

The Group has operated department stores in Nanchang City, the capital of Jiangxi Province, for almost 20 years. As one of Southern China's most vibrant provincial capitals and a major commercial hub, Nanchang provides a strong foundation for the Group's long-term growth. Over the years, the Group and the Parkson brand have built solid market recognition, established extensive brand partnerships, and fostered customer loyalty, supported by government and community resources.

The Nanchang Property, located in the core commercial district, occupies a prime position and offers high commercial value. The Group operates four stores in Jiangxi Province. The Nanchang Property and another store, located just across the street creating strong synergy. This dual-store presence also holds strategic significance for the Group's overall operations within Nanchang City. Looking ahead, the Nanchang Property will undergo a business format upgrade, focusing on creating an integrated lifestyle destination for shopping, dining, entertainment, and leisure, to attract a younger customer base and capitalise on the foot traffic from the nearby dual-metro station.

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

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to IFRS 16, the Group is required to recognise the Nanchang Property as a right-of-use asset. Thus, the entering into of the Nanchang 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 RMB185.0 million, which is calculated based on the present value of the rent payments to be made under the Nanchang 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 25% but less than 100%, the entering into of the Nanchang Renewal Agreement constitutes a major transaction for the Company, and is therefore subject to announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDERS' APPROVAL

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, no Shareholder or any of their respective associates has any material interest in the Nanchang Tenancy or the Nanchang Renewal Agreement. Accordingly, none of the Shareholders is required to abstain from voting on the resolutions to approve the entering into of the Nanchang Renewal Agreement and the transactions contemplated thereunder, if the Company were to convene a general meeting to seek such approval.

A closely allied group of Shareholders interested in an aggregate of 1,448,270,000 Shares, representing approximately 54.97% of the total number of issued shares of the Company, has given its written approval on the entering of the Nanchang Renewal Agreement and the transactions contemplated thereunder. The aforesaid Shareholders are (i) East Crest International Limited which holds 9,970,000 Shares, representing 0.38% of the total number of issued shares of the Company; and (ii) PRG Corporation Limited which holds 1,438,300,000 Shares, representing 54.59% of the total number of issued shares of the Company. PRG Corporation Limited is a wholly-owned subsidiary of East Crest International Limited.

The written approval of the aforesaid group of Shareholders has been accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting will be convened by the Company to approve the entering into of the Nanchang Renewal Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, among other things, information relating to the Nanchang Renewal Agreement and the Nanchang Tenancy is expected to be despatched to the Shareholders for information purposes only in accordance with Rule 14.41(a) of the Listing Rules on or before 25 September 2026.

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.
“HK\$”	means Hong Kong Dollars, the lawful currency of Hong Kong.
“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 lease recognition, measurement and disclosure.

“Jiangxi Parkson”	means Jiangxi Parkson Retail Co., Ltd.* (江西百盛中山城百貨有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company.
“Landlord”	means Jiangxi Kaimei Development Co., Ltd.* (江西凱美實業發展有限公司).
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Nanchang Original Tenancy Agreement”	means the tenancy agreement in respect of the Nanchang Property dated 17 December 2006 as supplemented by a supplemental agreement dated 21 March 2007.
“Nanchang Property”	means a basement-level floor and levels 1 to 4 above the ground floor of the premises located at No. 177, Zhongshan Road, Nanchang City, Jiangxi Province, the PRC.
“Nanchang Renewal Agreement”	means the renewal agreement to the Nanchang Original Tenancy Agreement in respect of the Nanchang Property entered into between the Landlord and Jiangxi Parkson on 9 September 2026.
“Nanchang Tenancy”	means the tenancy for the Nanchang Property as renewed pursuant to the Nanchang 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.
“Shareholders”	means holders of the Shares.
“Shares”	means ordinary shares of nominal value of HK\$0.02 each in the capital of the Company.
“sq. m.”	means square metre.
“Term”	means the term of the Nanchang Renewal Agreement, being from 1 January 2027 to 31 December 2041.
“%”	means per cent.

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

9 September 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 names of the PRC established companies or entities have generally been included in this announcement in both Chinese and English languages and in the event of inconsistency, the Chinese language shall prevail.*