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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)

DISCLOSEABLE TRANSACTION
ENTERING INTO A LEASE AGREEMENT IN RESPECT OF
THE PROPERTY IN MIANYANG CITY, SICHUAN PROVINCE,
THE PRC

LEASE AGREEMENT

On 28 September 2026, the Tenant (an indirect wholly-owned subsidiary of the Company) and the Landlord entered into the Lease Agreement in respect of the lease of the Property situated at Mianyang City, Sichuan Province, the PRC.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to IFRS 16, the entering into of the Lease Agreement as a tenant will require the Group to recognise the Property as a right-of-use asset. Thus, the entering into of the Lease Agreement and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules. On the basis of the acquisition of right-of-use asset under the Lease Agreement, the amount recognised by the Group pursuant to IFRS 16 is approximately RMB60.9 million.

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 Lease Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the reporting and announcement requirements but is exempted from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

1. INTRODUCTION

The Board is pleased to announce that on 28 September 2026, the Tenant and the Landlord entered into the Lease Agreement in respect of the Property.

A summary of the principal terms of the Lease Agreement and other relevant information is set out below.

2. LEASE AGREEMENT

Date : 28 September 2026

Parties : Tenant: Mianyang Fulin Parkson Plaza Co., Ltd.* (綿陽富臨百盛廣場有限公司), an indirect wholly-owned subsidiary of the Company

Landlord: Mianyang Yuancheng Integrated Development Group Co., Ltd.* (綿陽園城融合發展集團有限責任公司)

Property : The relevant areas and spaces in the basement level, first to fourth floors and the mezzanine of Zijing Plaza, Building 18, No. 89 Youxian Road, Youxian District, Mianyang City* (綿陽市游仙區游仙路89號18棟紫金廣場地下一層、地上一至四層、夾層)

Total gross area : Approximately 38,511 sq. m.

Term : 20 years commencing from the actual opening date of the Property, which is expected to be 1 July 2027 and shall be no later than 1 October 2027

Use : Operation of a shopping centre under the trademark and trade name of the 「百盛」 and “PARKSON” (including but not limited to: convenience stores, supermarkets, gold jewellery, accessories, computers, mobile phones, watches and eyewear, stationery, books and audio-visual products, medicines, electrical appliances, clothing, cosmetics, toys, food and groceries, tobacco and liquor, health supplements, etc.); service projects including Chinese and Western dining, cinema, entertainment, bars, cafes, tea houses, bakeries, photography, colour printing and expansion, beauty and hair salons, wedding services, gyms, venue leasing, property management, business activity centres, etc.; and setting up of offices, warehouses and other commercial projects within the scope of business operation of the Tenant.

Rental : The rental payable shall be the higher of the guaranteed rental and the percentage rental.

Guaranteed rental: RMB13 per sq. m. per month, with a 50% reduction for the first three lease years. The rate increases by 3% in the second half of year 5 and thereafter by 3% every three years.

Percentage rental: 1% of net sales for non-subleased areas, except that the following categories shall be charged at 0.8% of net sales: supermarkets, gold jewellery, mobile phones, household appliances, luxury watches, electronic products, international brands and brand factory outlets. For subleased areas, the percentage rental shall be 10% of net rental income. The percentage rental is also subject to a 50% reduction during the first three lease years.

Payment: Guaranteed rental is payable monthly in advance, while percentage rental is payable monthly in arrears, with an annual true-up settlement. All payments are due within ten (10) business days after receipt of the Landlord's VAT invoice.

Other fees : The Tenant shall pay utility charges (water, electricity and gas) incurred from the use of the leased premises based on actual consumption and in accordance with applicable government tariff rates.

The property management fee payable by the Tenant shall be RMB0.5 per sq. m. per month for the Property, and the Tenant shall not bear any other property-related fees whatsoever.

Deposit : The Tenant shall pay to the Landlord a deposit of RMB1.0 million within thirty calendar days from the execution date of the Lease Agreement. Upon the opening date of the Property, such deposit shall be automatically converted into prepaid rental and applied towards the last instalment of rent due before the termination of the Lease Agreement.

Right to sub-let : The Tenant has the right to sub-let portion of (but not the whole of) the Property. The Landlord shall not interfere with the Tenant's business operations.

Renewal : If the Tenant wishes to further renew the Lease Agreement, it shall serve a written request to the Landlord no less than six (6) months prior to the expiration of the Term. The Tenant 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 lease agreement. Otherwise, the Lease Agreement will automatically terminate upon expiration of the Term, and the Landlord may then lease the Property to a third party. However, the terms offered to such third party must not be more favourable than those previously offered to the Tenant. Should more favourable terms be extended to the third party, the Tenant shall retain the right of first refusal on such terms.

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

The circumstances under which either party may terminate the Lease 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; and
- (c) mutual agreement between the Tenant and the Landlord.

The Tenant is also entitled to terminate the Lease Agreement prior to the expiration of the Term free from any liability for breach of the Lease Agreement, provided that, the Tenant has operated the Property for four (4) years, its accumulated losses exceed RMB30 million as determined by an audit report issued by an audit firm engaged by the Tenant. Where the Tenant exercises such right of termination, it shall notify the Landlord in writing 180 calendar days in advance. The Lease Agreement shall be terminated upon expiration of the 180 calendar days from the date on which such written notice is delivered to the Landlord.

3. BASIS FOR DETERMINATION OF THE RENTAL AND OTHER FEES

The terms of the Lease Agreement were determined after arm's length negotiations between the Landlord and the Tenant, with reference to the prevailing market rentals for properties of similar type, age and location.

The rental and other amounts payable by the Tenant under the Lease Agreement are expected to be financed by the internal resources of the Group.

4. INFORMATION ON THE PARTIES

4.1. The Group and the Tenant

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 is an indirect wholly-owned subsidiary of the Company principally engaged in the operation of department stores and supermarkets in Mianyang City.

4.2. The Landlord

The Landlord is a state-owned enterprise established in the PRC carrying out business operations in China in various industries including commercial real estate and property development. To the best knowledge and belief of the Directors, and having made all reasonable enquiries, the Landlord is 100% owned by Youxian High-tech Industrial Park Management Committee * (游仙高新技術產業園區管理委員會).

The Landlord and its ultimate owner are third parties independent of, and not connected with, the Company and its connected persons (as defined under the Listing Rules).

5. REASONS AND BENEFITS FOR ENTERING INTO THE LEASE AGREEMENT

The Group has been operating in Mianyang City for almost 30 years and currently operates one shopping mall, two department stores, and two supermarkets in the city, having established strong brand recognition and customer loyalty in the region. The Property is located in a prime commercial district of the city, in close proximity to the Science City designated under the national strategic plan and key cultural tourism destinations, with convenient transportation access, a high population density, and a stable residential customer base. The Group plans to introduce a city outlet business format at the Property, leveraging the Group's established brand advantages and extensive store network in Mianyang City to achieve strong strategic synergies. Furthermore, as the Landlord is a state-owned enterprise, it has demonstrated a strong commitment to supporting the revitalisation of the Property. The Board believes that the entering into of the Lease Agreement will have a positive impact on the future development of the Group.

The Board believes that the terms of the Lease Agreement are fair and reasonable, and also having taken into account the above reasons and benefits, the Board is of the view that entering into of the Lease Agreement is in the interests of the Company and its shareholders as a whole.

6. IMPLICATIONS UNDER THE LISTING RULES

Pursuant to IFRS 16, the entering into of the Lease Agreement as a tenant will require the Group to recognise the Property as a right-of-use asset. Thus, the entering into of the Lease Agreement and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules. On the basis of the acquisition of right-of-use asset under the Lease Agreement, the amount recognised by the Group pursuant to IFRS 16 is approximately RMB60.9 million.

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 Lease Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the reporting and announcement requirements but is exempted from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

7. DEFINITIONS

In this announcement, the following terms have the meanings set forth below unless the context requires otherwise:

“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, sets out the principles for the recognition, measurement, presentation and disclosure of leases.
“Landlord”	means Mianyang Yuancheng Integrated Development Group Co., Ltd.* (綿陽園城融合發展集團有限責任公司), a company established in the PRC.
“Lease Agreement”	means the lease agreement in respect of the Property entered into between the Landlord and the Tenant dated 28 September 2026.
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“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.

“Property”	means the basement level, first to fourth floors and the mezzanine of Zijing Plaza, Building 18, No. 89 Youxian Road, Youxian District, Mianyang City* (綿陽市游仙區游仙路89號18棟紫金廣場地下一層、地上一至四層、夾層).
“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 established in the PRC and an indirect wholly-owned subsidiary of the Company.
“VAT”	means the value-added tax.

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

28 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 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.

* *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.*