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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)

UNAUDITED THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2026

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 2026.

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 Securities Berhad Main Market 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 ("3Q2026") and the First Nine Months of The Year ("9M2026") are RMB789.5 million and RMB2,528.0 million respectively, representing a decrease of 4.2% and decrease of 9.3% respectively as compared to the corresponding period last year.

Same store sales ("SSS") decreased by 11.6% in 3Q2026 and decreased by 13.0% in 9M2026.

Profit from operations for 3Q2026 was RMB124.4 million. Profit from operations for 9M2026 decreased by RMB15.4 million to RMB359.8 million as compared to the corresponding period last year of RMB375.2 million, representing a decrease of 4.1%.

Profit attributable to owners of the Company in 9M2026 was RMB28.8 million as compared to RMB23.4 million in the corresponding period last year, representing an increase of 23.0%.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Quarter Ended 30 September		Year to Date Ended 30 September	
	2026	2025	**2026**	2025
	Unaudited	Unaudited	**Unaudited**	Unaudited
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Gross Sales Proceeds (inclusive of value-added tax)	**1,429,711**	1,634,751	**4,962,127**	5,790,061
Revenues	**648,862**	699,398	**2,103,240**	2,315,141
Other operating revenues	**140,625**	124,469	**424,766**	471,556
Total operating revenues	**789,487**	823,867	**2,528,006**	2,786,697
Operating expenses				
Purchases of goods and changes in inventories	**(283,256)**	(311,800)	**(971,934)**	(1,085,276)
Staff costs	**(99,594)**	(104,422)	**(313,353)**	(357,243)
Depreciation and amortisation	**(105,952)**	(108,569)	**(320,905)**	(349,647)
Rental expenses	**(13,988)**	(15,269)	**(49,853)**	(52,774)
Other operating expenses	**(162,319)**	(166,217)	**(512,173)**	(566,528)
Total operating expenses	**(665,109)**	(706,277)	**(2,168,218)**	(2,411,468)
Profit from operations	**124,378**	117,590	**359,788**	375,229
Finance income	**11,015**	5,320	**20,896**	18,016
Finance costs	**(108,854)**	(102,266)	**(313,193)**	(321,854)
Share of profits of associates	**284**	934	**10,325**	10,355
Profit before tax	**26,823**	21,578	**77,816**	81,746
Income tax expense	**(22,277)**	(22,994)	**(50,088)**	(62,212)
Profit/(Loss) for the period	**4,546**	(1,416)	**27,728**	19,534
Attributable to:				
- **Owners of the Company**	**5,807**	914	**28,764**	23,382
- **Non-controlling interests**	**(1,261)**	(2,330)	**(1,036)**	(3,848)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 September 2026 Unaudited ***RMB'000***	As at 31 December 2025 Audited *RMB'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**2,370,644**	2,470,357
Investment properties	**490,234**	506,116
Right-of-use assets	**2,935,063**	2,872,105
Goodwill	**1,432,008**	1,432,008
Investments in associates	**54,238**	51,867
Trade receivables	**894,105**	836,825
Time deposits	**24,302**	24,302
Other assets	**338,464**	18,495
Deferred tax assets	**261,499**	265,164
	8,800,557	8,477,239
CURRENT ASSETS		
Inventories	**230,457**	255,038
Trade receivables	**507,442**	445,966
Prepayment and other receivables	**395,322**	479,744
Financial assets at fair value through profit or loss	**70,198**	77,162
Restricted cash	**132,209**	60,690
Time deposits	**47,949**	22,316
Cash and bank balances	**1,341,895**	1,457,222
	2,725,472	2,798,138
CURRENT LIABILITIES		
Trade payables	**372,065**	455,033
Other payables and accruals	**589,813**	620,633
Contract liabilities	**548,973**	545,340
Interest-bearing bank loans	**2,526,323**	345,613
Lease liabilities	**331,772**	409,195
Tax payable	**26,723**	25,988
	4,395,669	2,401,802
NET CURRENT (LIABILITIES)/ASSETS	**(1,670,197)**	396,336
TOTAL ASSETS LESS CURRENT LIABILITIES	**7,130,360**	8,873,575

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 September 2026 Unaudited ***RMB'000***	As at 31 December 2025 Audited *RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank loans	**488,874**	2,629,888
Lease liabilities	**3,612,077**	3,190,409
Deferred tax liabilities	**154,486**	167,072
	4,255,437	5,987,369
NET ASSETS	**2,874,923**	2,886,206
EQUITY		
Issued capital	**55,477**	55,477
Reserves	**2,767,715**	2,765,655
	2,823,192	2,821,132
Non-controlling interests	**51,731**	65,074
TOTAL EQUITY	**2,874,923**	2,886,206

UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS

	For the nine months ended 30 September 2026 Unaudited *RMB'000*
Net cash flows from operating activities	382,841
Net cash flows from investing activities	9,619
Net cash flows used in financing activities	(436,268)
Net decrease in cash and cash equivalents	**(43,808)**
Cash and cash equivalents at beginning of the period	1,517,912
Cash and cash equivalents at end of the period	**1,474,104**
Analysis of balances of cash and cash equivalents	
Cash and bank balances	1,132,113
Non-pledged time deposits with original maturity of less than three months when acquired	209,782
Restricted cash	132,209
Cash and cash equivalents	**1,474,104**
Cash and cash equivalents	1,474,104
Time deposits	72,251
Financial assets at fair value through profit or loss	70,198
Cash and cash equivalents, deposits and financial assets at fair value through profit or loss at end of the period	**1,616,553**

Operation and Financial Review

GSP and total operating revenues

The Group recorded unaudited gross sales proceeds ("GSP") inclusive of value-added tax of RMB1,429.7 million in 3Q2026 and RMB4,962.1 million in 9M2026, representing a decrease of 12.5% and 14.3% in 3Q2026 and 9M2026 respectively as compared to the same period last year. The decrease in GSP was primary due to structural shifts in consumer spending content and patterns, coupled with the ongoing transition of certain stores from traditional department store formats to shopping mall formats.

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				
	2026		2025		Year-on-year
	RMB'000	% of total	RMB'000	% of total	change (%)
Concessionaire sales	2,326,678	67.6%	2,873,311	69.8%	(19.0%)
Direct sales	1,113,712	32.4%	1,244,609	30.2%	(10.5%)
	3,440,390	100.0%	4,117,920	100.0%	(16.5%)

Total operating revenues decreased by 4.2% to RMB789.5 million in 3Q2026 and decreased by 9.3% to RMB2,528.0 million for 9M2026 as compared to the same period last year. The decrease in total operating revenues was mainly due to decrease in sale of goods from direct sales and commissions from concessionaire sales and decrease in other income arising from lease modification and termination.

The revenue from contracts with customers which constituted 57.6% of our total operating revenues in 9M2026, decreased by RMB197.0 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 decreased by 9.8% to RMB1,196.3 million in 9M2026 as compared to the same period last year of RMB1,326.2 million. The decrease was mainly due to closure of underperforming stores which led to overall decrease in operating expenses.

Profit from operations

Profit from operations for 3Q2026 was RMB124.4 million. Profit from operations decreased by RMB15.4 million to RMB359.8 million in 9M2026 as compared to the same period last year of RMB375.2 million, representing a decrease of 4.1%.

Profit attributable to owners of the Company

The Group recorded profit attributable to owners of the Company of RMB5.8 million in 3Q2026 and RMB28.8 million in 9M2026.

As of 30 September 2026, the Group and its associates operated and managed 37 Parkson stores (including department stores, shopping malls, outlets, the "Parkson Beauty" concept stores and supermarkets) and 2 Parkson Newcore City Malls across 23 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

19 November 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.