

SUN ART

Retail Group Limited

Stock Code: 6808

**Financial Results Announcement
For the twelve months ended 31 March 2026**

让生活更精彩 大润发

Disclaimer



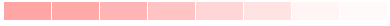
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Financial Overview

Financial Highlights

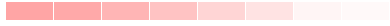
For the twelve months ended 31 March			
RMB in million	2024	2025	2026
Number of Stores	507	505	502
Revenue	72,567	71,552	63,442
Gross Profit	17,958	17,236	15,372
Gross Profit Margin	24.7%	24.1%	24.2%
Adjusted EBITDA ⁽¹⁾	3,122	4,091	3,157
Adjusted EBITDA Margin	4.3%	5.7%	5.0%

Note: The Group has initially applied HKFRS 16 at 1 January 2019.

(1) Calculated as operating profit margin (EBIT) adjusted for: add-back of depreciation and amortization, impairment losses on investment properties and other property, plant and equipment, and goodwill impairment; with deduction of interest income (including interest income from financial assets measured at amortized cost and gains from financial assets at fair value through profit or loss).

Financial Highlights

For the twelve months ended 31 March			
RMB in million	2024	2025	2026
+ Cash and Cash Equivalents, Time Deposits, Financial Assets (not restricted deposits)	18,268	14,029	11,913
- Bank Loan	1,764	1,500	1,850
Net Cash Position	16,504	12,529	10,063
+ Inventory Turnover Days	53	50	55
- Accounts Payable Turnover Days	72	67	69
Working Capital Turnover Days	-19	-17	-14
CAPEX	1,297	997	545




Business Progress and Highlights

Steady Growth in Fresh Food with Improved Quality and Efficiency

Driven by high-efficient traffic acquisition as a core strategy, fresh food taps into customer demand, lifts the repurchase rate and strengthens core competitiveness.


Business Performance

 Overall Sales
Volume Growth

+3% (Comparable)

 Units Per Transaction

+1.2% (Comparable)

 Gross Profit Margin
Up by

+0.8 percentage points

 Penetration Rate

>40%

Category Positioning and Strategy



Vegetable

High-efficient Traffic Acquisition
& Traffic Core Driver



Fruit

Higher Ticket Size
& Profit Growth Engine



Seafood

Differentiated Edge
& Unique Moat Barrier



Meat

High-Frequency Essentials
& Core Customer Stickiness

Operation Highlights

Popularity

Viral Products Traffic
& Trending Topics

Seasonality

Seasonal Wellness
& Seasonal Limited Offerings

Local Features

Deep Local Roots
& Regionally Tailored Curation

In-Depth Diversified Partnerships with Premium Brands, Value Creation via National Joint Procurement

National joint procurement builds a sustainable, self-reinforcing business ecosystem, the supply chain upgrade forms the moat of core competitiveness.

Triple Win Outcome



For **Suppliers**

Focus on core business

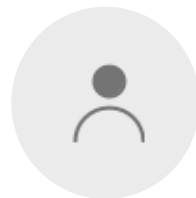
- | Leverage mature sales network
- | Focus on production and R&D
- | Unleash core productivity



For **Retailers**

Drive cost reduction & efficiency gains

- | Access to:
 - Better supply chain support
 - Improved quality
 - Faster delivery to market
- | Substantially optimize operating costs



For **Customers**

Premium quality at affordable prices

- | Better experience
 - Safety
 - Freshness
 - High quality
 - High value-for-money
- | Lower consumption costs



Supply Chain Deepening Goals

Fresh Food:
Increase national joint procurement to **30%** of sales

FMCG:
Increase national joint procurement to **60%** of sales



National Self-operated Pork Performance

(Jan-Mar 2026)

Comparable Sales Volume Growth: **20%+**

- Achieved **positive sales growth** in East China and North China regions.
- Synergistic expansion in poultry category.

Private Brand

PB delivers rapid expansion and strategic upgrade to forge differentiated competitive edges.

Performance: Strong momentum with targets met

YoY Sales Growth

+60%

Sales Penetration

3.2%

(March 2026)

Target Proportion of
FY2027 Sales

5%

Customers: Premium base with exceptional loyalty

Core family shoppers
(aged 30-49)
Sales contribution over

60%

Overall YoY repeat purchase
rate increased by

+4.5%

Dual-brand driven, optimized structure



- **Super Saver:** Performance driver focusing on extreme value-for-money and price competitiveness.
- **RT-Mart Select:** Core gross profit contributor focusing on differentiation and quality to value ratio.
- **Future Focus:** Drive portfolio optimization to improve overall gross margin.

Strategy: Multi-dimensional initiatives and moat-building in action



Five Strategies:

- Brand revitalization
- Category restructuring
- Science-backed pricing
- Differentiated development
- Scenario-based operations

Category deep dive:

- **Fresh Food:** Focus on healthy sourcing.
- **FMCG:** Build moat via organic wellness & craftsmanship innovation.

Core Formats Strategic Deployment

Store renovation continues to roll forward, while the supermarket format drives quality and efficiency gains.

Store Transformation Plan

Piloting · Low-cost · Rapid Replication


 Fresh Food Zone Reset

Initial planned rollout

100+
stores

Morning market 2nd entrance coverage

240+
stores


 Low-cost Fixture Refresh Iteration

Initial deployment across

45
stores

Investment per store

200,000
RMB

 Gallery – Traffic Driver

Proportion of F&B, entertainment & service up by

5%


 Underperforming Store Closure

Planned closure store number

9

Supermarket Format

Proven Model · Operations Optimized for Quality & Efficiency Gains

 Network Expansion & Model Optimization

Store number

34

Sales proportion of fresh produce


35%

Curated SKUs

~8,000

Unit economics

Cash flow turned Positive

 Online Business Rapid Growth

Sales penetration

31%

Comparable sales growth

+15%

Comparable order volume growth

+25%

Front Warehouses

Steady front warehouse network expansion, embedding fresh food-focused customer perception.



New Engine for Online Growth

Hypermarket Catchment Extension · 3-10km Radius



Accelerated Rollout With Standardized Model

Warehouse number	Investment per unit	Curated SKUs	Footprint per unit
9	~400 RMB ('000)	~6,000	500 m ²



High-frequency Perception Drives Customer Growth

Sales share of fresh food, dairy and chilled & frozen

~50%

- Build a high-frequency daily essential mindset
- Effectively driving stickiness and repeat rate



Regional warehouses proving viable, early signs of growth potential

Model Milestone (March 2026)

On track unit

3

- 2 in North China
- 1 in Northeast China

Ave. time to target

7.7 months

- Period range: 5~9 months



Low-cost Operation Lowers Profitability Threshold



Resource Synergy

- Leverage hypermarket inventory
- Reuse proven online capabilities



Lean Cost Control

- Adopt hourly labor
- Select low-rent locations



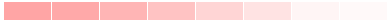
Operational Playbook

- Precise unit model building
- End-to-end refined management



Merchandising & Margin

- High-density fresh food penetration
- Balance products stickiness and gross margin

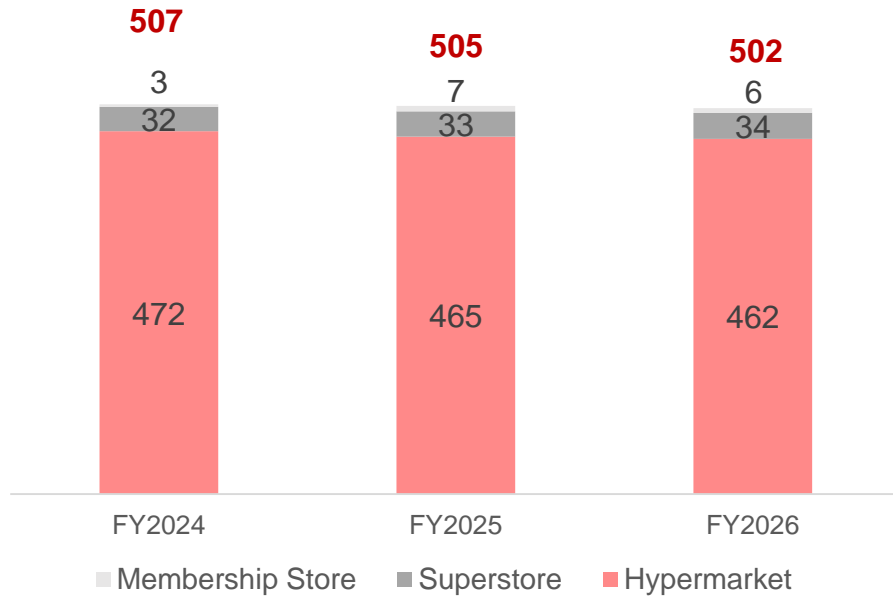


Financial Review

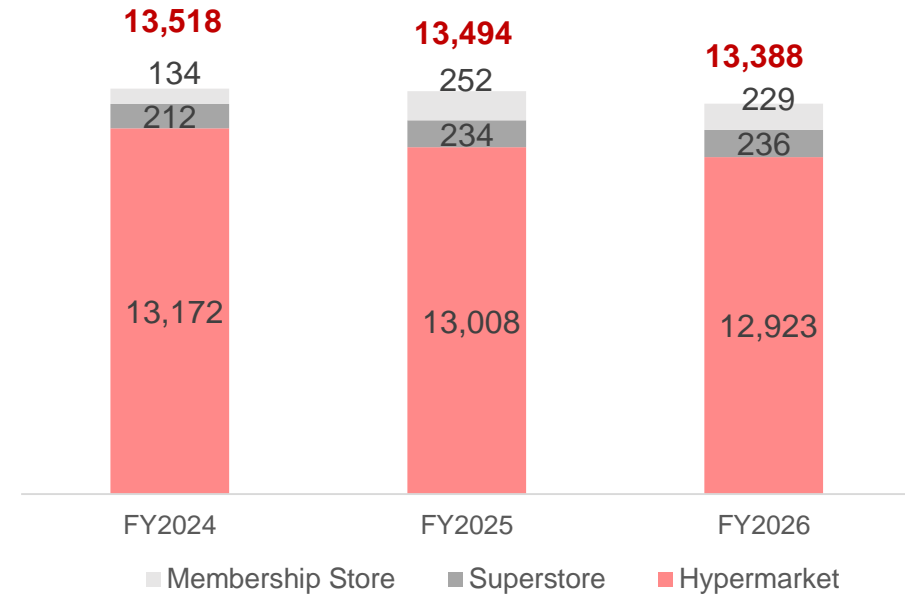
Store Expansion

Deepening our presence in hypermarkets and superstores, with a focus on refined store management.

No. of stores



GFA (000'sqm)



New opening of **3** hypermarkets

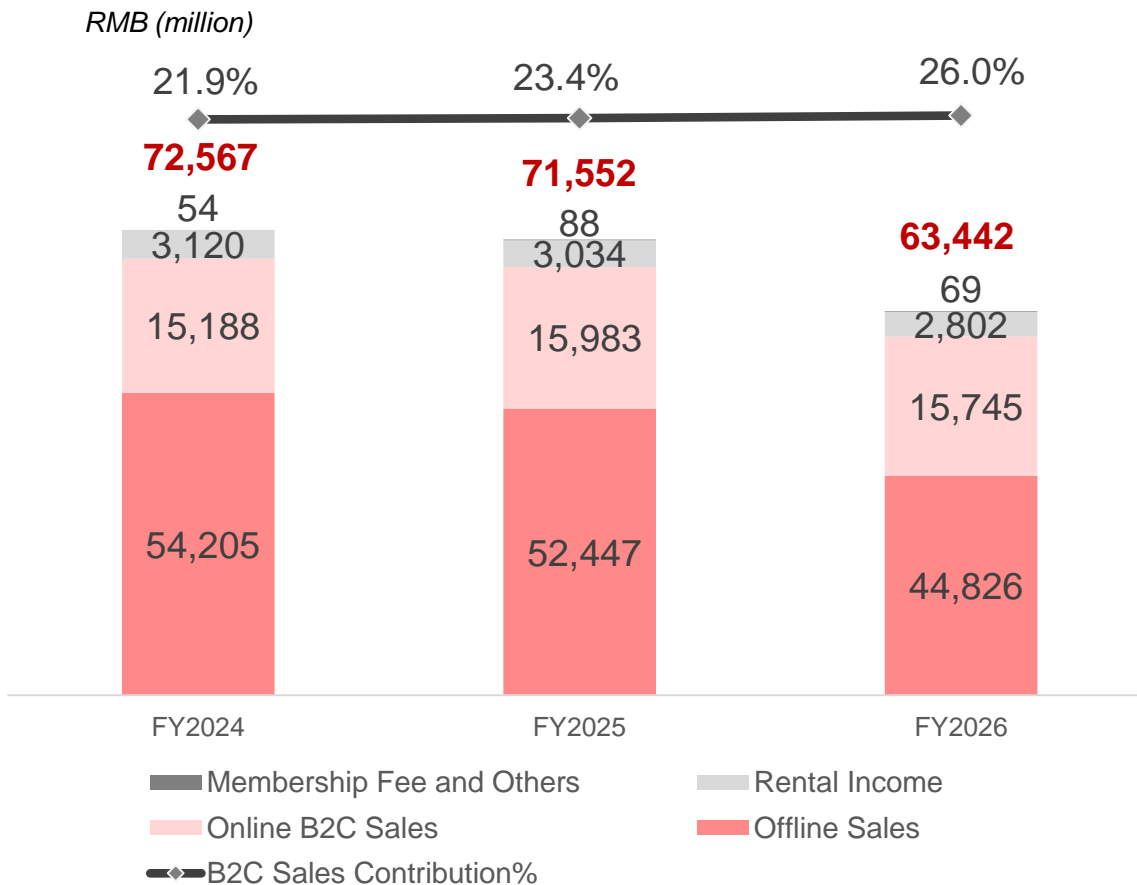
New opening of **3** superstores

Covering **207** cities

Total Revenue

Against overlapping headwinds, revenue faced phased challenges.

Revenue Breakdown



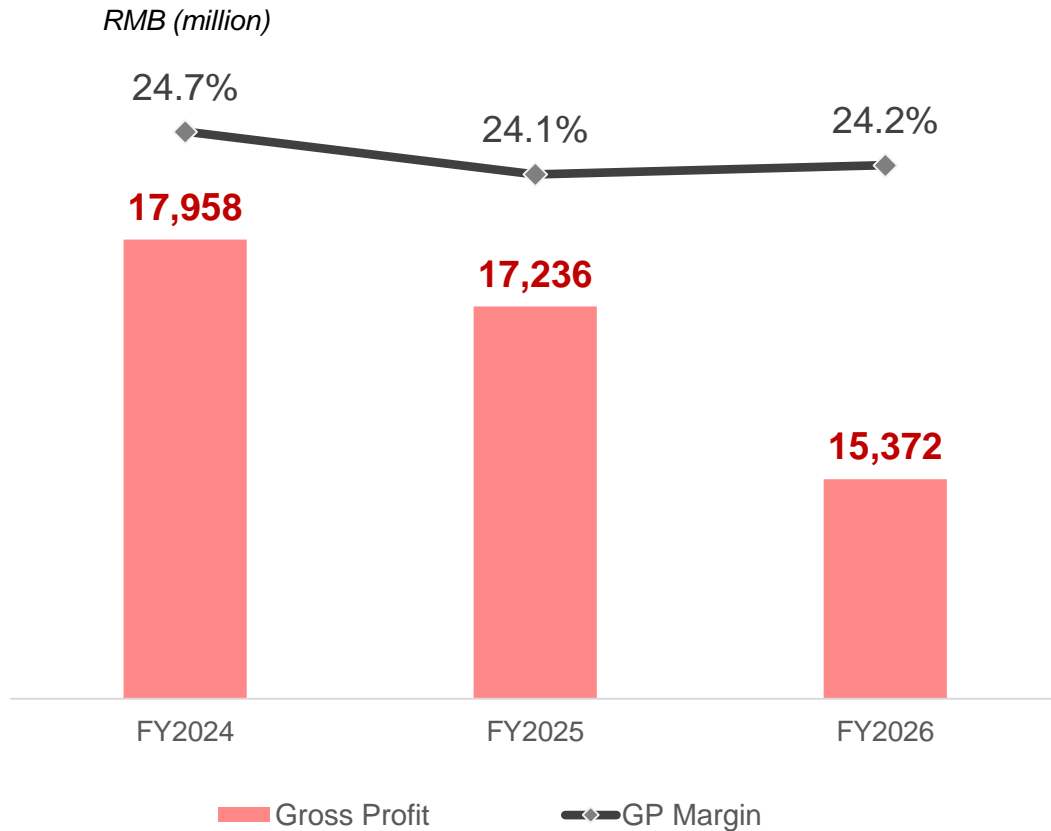
- Revenue of the Group amounted to RMB63,442 million, representing a year-on-year decrease of RMB8,110 million, or -11.3%.
 - ⊙ Impacted by CPI fluctuations and sluggish customer demand.
 - ⊙ Intense homogeneous industry competition continued to divert in-store foot traffic and reduce units per transaction.
- The overall order volume, both online and offline, remained flat year-on-year. Online orders increased by approximately 5.5% year-on-year, while the decline in offline customer traffic remained controllable.
- The gallery will prioritize lowering vacancy rates, optimizing the tenant mix, and steadily raising the share of the food and beverage format within its tenant portfolio.



Gross Profit Margin

Fresh food profit & private brand penetration both up; gross margin up 0.1pp year-over-year.

Gross Profit and Gross Profit Margin



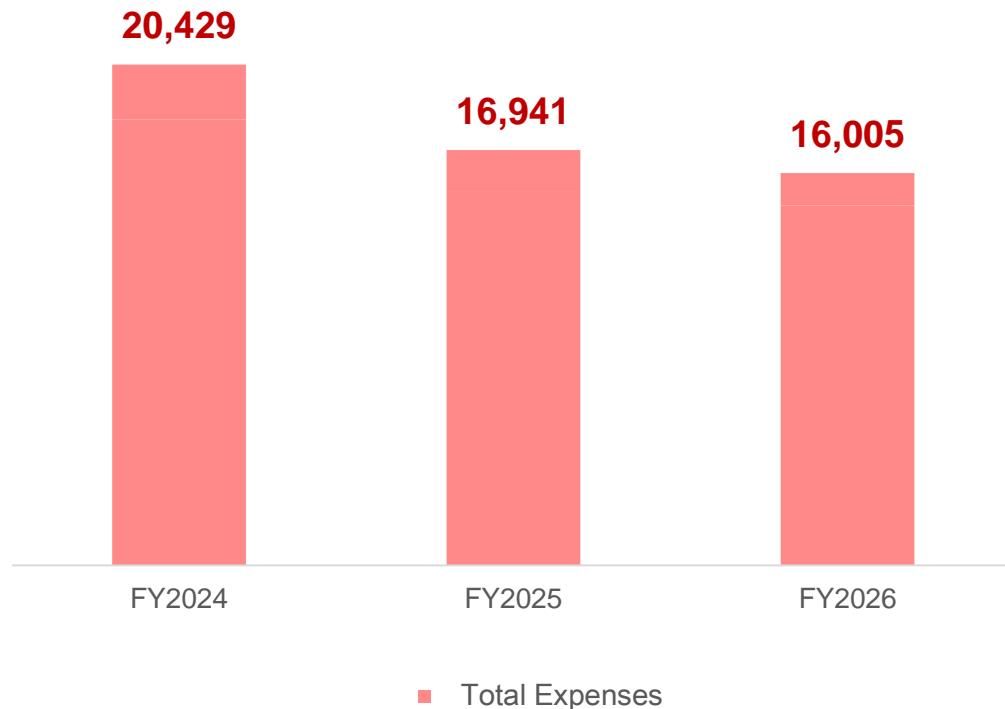
- Gross profit was RMB15,372 million, representing a year-on-year decrease of RMB1,864 million, or -10.8%.
- Gross margin was 24.2%, with merchandise margin at 20.8%, both up 0.1 percentage points year-on-year.
- Driven by supply chain optimization, product mix adjustments and enhanced operational efficiency, the fresh food segment delivered better margin performance, coupled with the increased penetration of private brand products, helped to offset the short-term margin pressure in the fast-moving consumer goods category resulting from product and supply chain transitions.

Expenses

Expenses amounted to RMB16,005 million, representing a decrease of RMB936 million or -5.5% year-on-year.

Total Expenses

RMB (million)

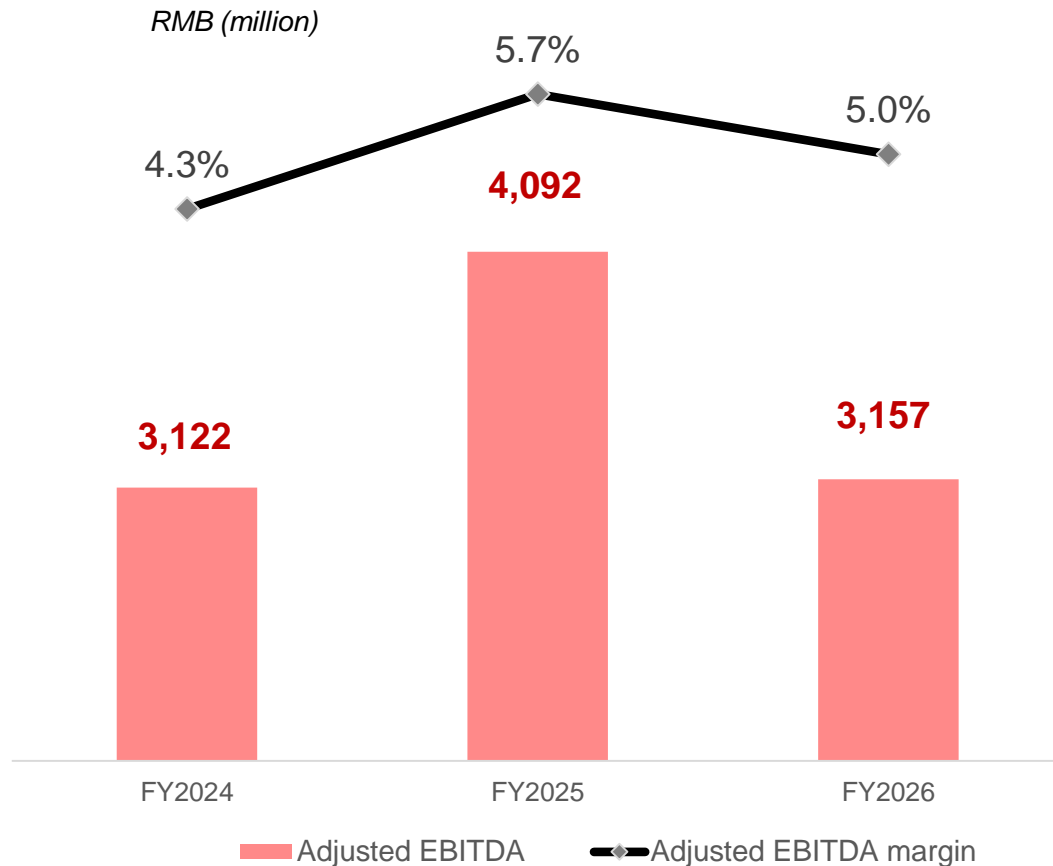


- Expenses amounted to RMB16,005 million, representing a year-on-year decrease of RMB936 million, or -5.5%. The decrease in expenses was mainly resulted from:
 - ⊙ Continuous optimization of store workforce structure and increased part-time utilization of employees.
 - ⊙ Enhanced centralized resource coordination at headquarters to drive cost savings.
 - ⊙ Retail cost reduction negotiations across store networks.

Adjusted EBITDA

Adjusted EBITDA amounted to RMB3,157 million, with core operating profitability holding firm.

Adjusted EBITDA and Adjusted EBITDA%



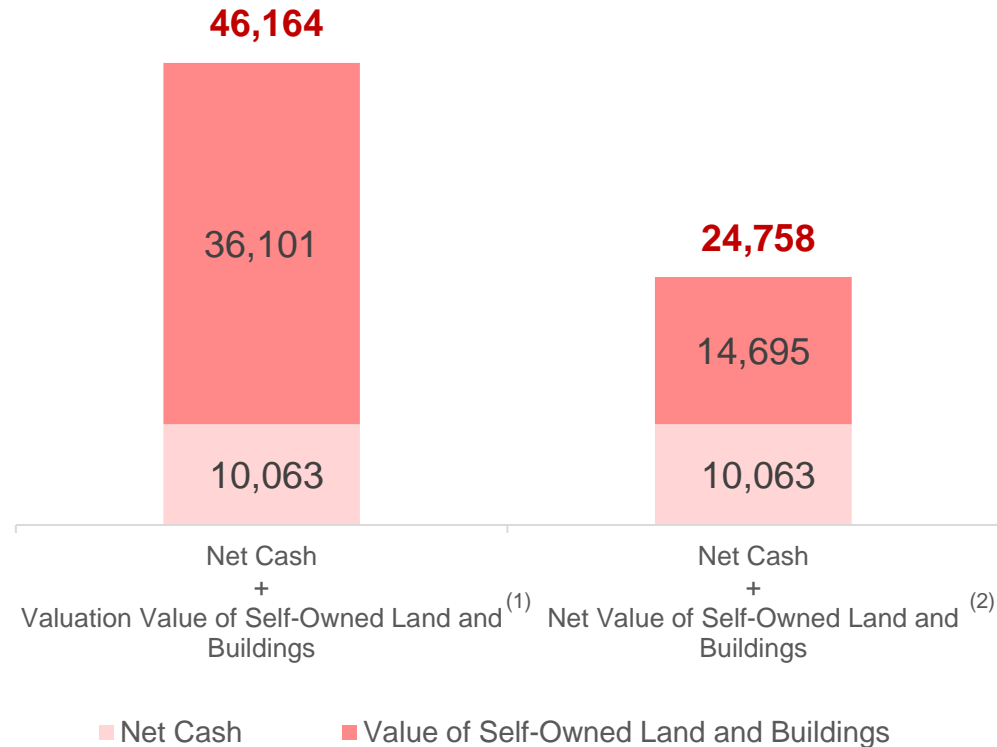
- Adjusted EBITDA was RMB3,157 million, with an adjusted EBITDA margin of 5.0%.

Property Valuation and Net Cash Position

Strong core property holdings and ample cash reserves, supporting a robust financial structure and long-term operational resilience.

Property Valuation and Net Cash Position

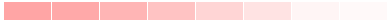
RMB (million)



Note: (1) From the valuation report as of March 31, 2026

(2) Net value as of March 31, 2026.

- The Group's net cash position reached RMB10,063 million and the valuation value of self-owned properties was RMB36,101 million.
- Due to a temporary softening in real estate valuation conditions and the impact of upcoming land-use rights expirations, combined with changes in net cash levels, total assets adjusted to RMB46,164 million.
- The Group maintains a strong cash position and high-quality self-owned properties, with its core financial strength and operational fundamentals remaining stable.



Strategic Advancement

Group Vision and Three-Year Strategy

Our Vision

Trusted by Customers, and Embraced by Employees.

Three-Year Strategic Goal

Be preferred 'Daily Essentials Hub' for all customers within a 3-kilometer radius, building community lifestyle centers with "Healthy Products, Enjoyable Experiences and Caring Services".



Product and Experience Upgrade

Focus on core strengths, reshape store value.

- Strengthen trend-forward categories to build differentiated product edge.
- Redesign store traffic flow to enhance shopping experience.
- Explore diversified services to broaden experience beyond just shopping.



Digitalization & Supply Chain Optimization

Tech-enabled to drive efficiency & customer stickiness.

- Data-driven assortment and marketing to boost precision and relevance.
- National joint procurement and logistics upgrade to lower operating costs.
- Optimize member engagement to build a high-loyalty customer base.



Multi-Format & Omni-Channel deployment

Focus on advantageous regions, solidify online business.

- Fully upgrade B2C operations, drive catchment penetration & improve basket economics.
- Accelerate front warehouse deployment, explore profitable models, build a new online growth engine.
- Optimize supermarket model, focus on quality & efficiency gains.



Organizational Enablement & Talent Development

Build an agile organization to power strategy execution.

- Establish the Commercial Operations Department to promote general merchandise and fresh produce.
- Proactively develop incentive programs to energize the organization.
- Recruit and grow young talents, foster an ethical, high-integrity culture.

Doing the “6 Rights”, defining a New Standards for Customer Experience Excellence

Richness

All-customer & All-scenarios Coverage

Adopt “Broad selection with curated depth” strategy and operational model innovation, building an comprehensive assortment for every customer segment and every scenarios.

Safety

End-to-End Reliability

Establish a fully traceable, high-standard control system from source to table, elevating safety from basic compliance to a brand promise customers can truly trust.

Affordability

Price Competitiveness

Leverage scale advantages and end-to-end efficiency optimization to achieve sustainable, market-competitive pricing without compromising quality.

Freshness

Maximizing Freshness

Through efficient short-chain supply and science-led freshness, ensure every product reaches customers at its best and maximize the “enjoyment window”.

Taste

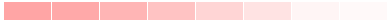
Experience-driven Production and Sale

“Innovation in every bite” through continuous R&D and standardized on-site production, turning deliciousness into a signature replicable competitive advantage.

Trend

Lifestyle Leadership

With trend-led foresight and story-driven merchandising, transform the store into a lifestyle-led, discovery-rich space.



Thank you