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# SUN ART RETAIL GROUP LIMITED
# 高鑫零售有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 06808)**

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

The board (the "**Board**") of directors (the "**Directors**") of Sun Art Retail Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") hereby announces the unaudited consolidated interim results of the Group for the six months ended 30 September 2026, together with the comparative figures for the corresponding period in 2025 as below.

### HIGHLIGHTS OF INTERIM RESULTS

| | For the six months ended 30 September | | Change | Change% |
|---|---|---|---|---|
| | **2026** | 2025 | | |
| | **(Unaudited)** | (Unaudited) | | |
| | ***RMB million*** | | | |
| Revenue | **27,487** | 30,502 | (3,015) | (9.9)% |
| Gross Profit | **6,912** | 7,719 | (807) | (10.5)% |
| (Loss)/Profit from Operations | **(277)** | 271 | (548) | N/A |
| Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation ("**Adjusted EBITDA**")[1] (non-HKFRS measure) | **1,028** | 1,580 | (552) | (34.9)% |
| Loss for the Period | **(517)** | (127) | (390) | 307.1% |
| Loss Attributable to Equity shareholders of the Company | **(514)** | (123) | (391) | 317.9% |
| Loss Per Share – Basic and diluted[2] | **RMB (0.05)** | RMB (0.01) | | |

| | **As at 30 September 2026** | As at 31 March 2026 | Change | Change% |
|---|---|---|---|---|
| | **(Unaudited)** | (Audited) | | |
| | ***RMB million*** | | | |
| Total Assets | **47,541** | 50,123 | (2,582) | (5.2)% |
| Total Liabilities | **31,425** | 32,799 | (1,374) | (4.2)% |
| Net Assets | **16,116** | 17,324 | (1,208) | (7.0)% |
| Net Cash Position[3] | **10,520** | 10,063 | 457 | 4.5% |

*Notes:*

(1) The Adjusted EBITDA (non-HKFRS measure) is calculated as (loss)/profit from operations, adding back depreciation of investment properties and other property, plant and equipment, amortisation of intangible assets, impairment losses on investment properties and other property, plant and equipment and impairment losses on goodwill; and net of interest income on financial assets measured at amortised cost and gain on financial assets measured at fair value through profit or loss.

(2) The calculation of basic loss per share for the six months ended 30 September 2026 is based on the weighted average number of 9,540,504,700 ordinary shares (for the six months ended 30 September 2025: 9,540,104,700 ordinary shares) in issue during the interim periods.

As the Group incurred loss for the six months ended 30 September 2026 and 2025, the dilutive potential ordinary shares of share options were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, the diluted loss per share is the same as the basic loss per share for the six months ended 30 September 2026 and 2025.

(3) The balance of net cash position is calculated as the sum of cash and cash equivalents, financial assets measured at fair value through profit or loss and time deposits minus maturity amount of bank loans.

The financial information set out below in this announcement represents an extract from the interim financial statements, which are unaudited but have been reviewed by the Group's independent auditors, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 and by the Company's audit committee (the "**Audit Committee**"). KPMG's unmodified review report will be included in the interim report (the "**Interim Report**").

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 September 2026*

| | Notes | Six months ended 30 September | |
|---|---|---|---|
| | | **2026** | 2025 |
| | | ***RMB million*** | *RMB million* |
| | | **(Unaudited)** | (Unaudited) |
| **Revenue** | *4* | **27,487** | 30,502 |
| Cost of sales | | **(20,575)** | (22,783) |
| **Gross profit** | | **6,912** | 7,719 |
| Other income and other gains, net | *5* | **412** | 566 |
| Selling and marketing expenses | | **(6,968)** | (7,303) |
| Administrative expenses | | **(633)** | (711) |
| **(Loss)/profit from operations** | | **(277)** | 271 |
| Finance costs | *6(a)* | **(144)** | (174) |
| **(Loss)/profit before taxation** | *6* | **(421)** | 97 |
| Income tax | *7* | **(96)** | (224) |
| **Loss for the period** | | **(517)** | (127) |
| Other comprehensive income for the period | | **–** | – |
| **Total comprehensive income for the period** | | **(517)** | (127) |
| **Loss attributable to:** | | | |
| Equity shareholders of the Company | | **(514)** | (123) |
| Non-controlling interests | | **(3)** | (4) |
| **Loss for the period** | | **(517)** | (127) |
| **Total comprehensive income attributable to:** | | | |
| Equity shareholders of the Company | | **(514)** | (123) |
| Non-controlling interests | | **(3)** | (4) |
| **Total comprehensive income for the period** | | **(517)** | (127) |
| **Loss per share** | | | |
| Basic and diluted (RMB) | *8* | **(0.05)** | (0.01) |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2026*

| | Notes | **As at 30 September 2026 *RMB million* (Unaudited)** | As at 31 March 2026 *RMB million* (Audited) |
|---|---|---|---|
| **Non-current assets** | | | |
| Investment properties | *9* | **5,436** | 5,559 |
| Other property, plant and equipment | *9* | **16,118** | 16,842 |
| Intangible assets | | **62** | 66 |
| Trade and other receivables | *10* | **45** | 46 |
| Restricted deposits | *11(a)* | **1,700** | 1,700 |
| Time deposits | *11(b)* | **1,938** | 1,780 |
| Deferred tax assets | | **959** | 1,002 |
| **Total non-current assets** | | **26,258** | 26,995 |
| **Current assets** | | | |
| Inventories | | **6,099** | 7,148 |
| Trade and other receivables | *10* | **1,510** | 2,062 |
| Restricted deposits | *11(a)* | **3,592** | 3,785 |
| Time deposits | *11(b)* | **1,556** | 1,644 |
| Financial assets measured at fair value through profit or loss ("**FVPL**") | *12* | **808** | 1,986 |
| Cash and cash equivalents | *13* | **7,718** | 6,503 |
| **Total current assets** | | **21,283** | 23,128 |
| **Total assets** | | **47,541** | 50,123 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

*As at 30 September 2026*

| | Notes | **As at 30 September 2026** ***RMB million*** **(Unaudited)** | As at 31 March 2026 *RMB million* (Audited) |
|---|---|---|---|
| **Current liabilities** | | | |
| Trade and other payables | *14* | **13,411** | 13,845 |
| Contract liabilities | *15* | **10,079** | 10,673 |
| Bank loans | *16* | **1,498** | 1,845 |
| Lease liabilities | *17* | **1,610** | 1,730 |
| Current taxation | | **93** | 117 |
| **Total current liabilities** | | **26,691** | 28,210 |
| **Net current liabilities** | | **(5,408)** | (5,082) |
| **Total assets less current liabilities** | | **20,850** | 21,913 |
| **Non-current liabilities** | | | |
| Trade and other payables | *14* | **133** | 133 |
| Lease liabilities | *17* | **4,093** | 3,952 |
| Deferred tax liabilities | | **508** | 504 |
| **Total non-current liabilities** | | **4,734** | 4,589 |
| **Total liabilities** | | **31,425** | 32,799 |
| **Net assets** | | **16,116** | 17,324 |
| **CAPITAL AND RESERVES** | | | |
| Share capital | | **10,022** | 10,022 |
| Reserves | | **6,113** | 7,318 |
| **Total equity attributable to the equity shareholders of the Company** | | **16,135** | 17,340 |
| Non-controlling interests | | **(19)** | (16) |
| **Total equity** | | **16,116** | 17,324 |

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

*For the six months ended 30 September 2026*

| | Notes | Six months ended 30 September 2026 ***RMB million*** **(Unaudited)** | 2025 *RMB million* (Unaudited) |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| (Loss)/profit before taxation | | **(421)** | 97 |
| Adjustments for | | | |
| Depreciation of investment properties and other property, plant and equipment | *6(c)* | **1,299** | 1,459 |
| Amortisation of intangible assets | *6(c)* | **5** | 5 |
| Impairment losses on investment properties and other property, plant and equipment | *6(c)* | **126** | 29 |
| Finance costs | *6(a)* | **144** | 174 |
| Interest income on financial assets measured at amortised cost | *5* | **(110)** | (153) |
| Gain on financial assets measured at FVPL | *5* | **(15)** | (31) |
| Net gain on disposal and modification of investment properties and other property, plant and equipment | *5* | **(51)** | (116) |
| Provision for the allowance related to trade receivables and other debtors | *6(c)* | **28** | 11 |
| (Reversal of)/provision for write-down of inventories, net | | **(30)** | 7 |
| Share-based compensation expenses | *6(b)* | **3** | 2 |
| Net foreign exchange loss | | **11** | 22 |
| Change in working capital: | | | |
| Decrease/(increase) in inventories | | **1,078** | (339) |
| Decrease in trade and other receivables | | **565** | 384 |
| Decrease in restricted deposits | | **208** | 287 |
| (Decrease)/increase in trade and other payables | | **(388)** | 271 |
| Decrease in contract liabilities | | **(593)** | (568) |
| Cash generated from operations | | **1,859** | 1,541 |
| Income tax paid | | **(73)** | (218) |
| **Net cash generated from operating activities** | | **1,786** | 1,323 |

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

*For the six months ended 30 September 2026*

| | Notes | Six months ended 30 September 2026 ***RMB million*** **(Unaudited)** | 2025 *RMB million* (Unaudited) |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Proceeds from sale of investment properties and other property, plant and equipment | | **28** | 34 |
| Proceeds from redemption of time deposits with maturity over three months | | **1,528** | 929 |
| Proceeds from redemption of restricted time deposits with maturity over three months | | **75** | 1,500 |
| Proceeds from redemption of financial assets measured at FVPL | | **3,503** | 6,831 |
| Interest received | | **60** | 92 |
| Payment for investment properties and other property, plant and equipment | | **(199)** | (264) |
| Payment for intangible assets | | **(1)** | (1) |
| Payment for the purchase of time deposits with maturity over three months | | **(1,605)** | (825) |
| Payment for the purchase of restricted time deposits with maturity over three months | | **(90)** | (1,776) |
| Payment for the purchase of financial assets measured at FVPL | | **(2,310)** | (4,540) |
| **Net cash generated from investing activities** | | **989** | 1,980 |
| **Cash flows from financing activities** | | | |
| Proceeds from bank loans | | **1,996** | 1,496 |
| Principal element of lease rentals paid | | **(372)** | (362) |
| Interest element of lease rentals paid | | **(123)** | (150) |
| Cash payment for the acquisition of non-controlling interests | | **(6)** | (20) |
| Repayments of bank loans | | **(2,350)** | (1,750) |
| Borrowing costs | | **(5)** | (3) |
| Repayment of interests | | **(5)** | (4) |
| Dividend paid to the Company's equity shareholders | | **(695)** | (1,467) |
| **Net cash used in financing activities** | | **(1,560)** | (2,260) |

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

*For the six months ended 30 September 2026*

| | Notes | Six months ended 30 September 2026 **RMB million (Unaudited)** | 2025 *RMB million* (Unaudited) |
|---|---|---|---|
| **Net increase in cash and cash equivalents** | | **1,215** | 1,043 |
| Cash and cash equivalents at 1 April | | **6,503** | 6,798 |
| Effects of exchange rate changes on cash and cash equivalents | | **–*** | –* |
| Cash and cash equivalents decreased in the assets of disposal groups classified as held for sale | | **–** | 3 |
| **Cash and cash equivalents at 30 September** | *13* | **7,718** | 7,844 |

* The amount is less than a million.

## NOTES

*(Expressed in Renminbi ("**RMB**") unless otherwise stated)*

### 1. GENERAL INFORMATION

Sun Art Retail Group Limited (the "**Company**") is a company incorporated in Hong Kong on 13 December 2000 with limited liability. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 27 July 2011. The Company and its subsidiaries (together, the "**Group**") is a leading hypermarket operator in the People's Republic of China ("**PRC**").

### 2. BASIS OF PREPARATION

The interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 18 November 2026.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2026, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 31 March 2027. Details of any changes in accounting policies are set out in note 3.

The preparation of interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates. In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2026.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 March 2026. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial information is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 March 2026 that is included in the interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2026 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

## 3 CHANGE IN ACCOUNTING POLICIES

***New and amended standards adopted by the Group***

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: Disclosures – Amendments to the classification and measurement to financial instruments*, are relevant to the Group's financial statements. The application of the amendments does not have a material impact on the Group's consolidated financial statements for the periods presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

***New and amended standards and interpretations not yet adopted by the Group***

The following amendments and new standards are not yet mandatory for annual periods beginning 1 January 2026. Earlier application is permitted; however, the Group has not early adopted any new or amended standards in preparing this interim financial report.

| | **Effective for accounting periods beginning on or after** |
|---|---|
| Amendments to HKAS 21, *The effects of changes in foreign exchange rates – Translation to a hyperinflationary presentation currency* | 1 January 2027 |
| HKFRS 18, *Presentation and disclosure in financial statements* | 1 January 2027 |
| HKFRS 19, *Subsidiaries without public accountability: disclosures* | 1 January 2027 |

The following updates the information provided in the last annual financial statements about the possible impacts of HKFRS 18 which may have a significant impact on the Group's consolidated financial statements when adopted.

**HKFRS 18, *Presentation and disclosure in financial statements***

HKFRS 18 will replace HKAS 1, *Presentation of financial statements*, and is first effective for annual reporting periods beginning on or after 1 January 2027. HKFRS 18 introduces new requirements for presentation and disclosure in financial statements, including new categories and defined subtotals in the statement of profit or loss, enhanced requirements for aggregation and disaggregation of information, and specific disclosures about management-defined performance measures. The Group is assessing the expected impact that the initial application of HKFRS 18 will have on its consolidated financial statements.

The Group expects that the adoption of HKFRS 18 will not change the Group's net assets or net profit. However, it is expected to affect the presentation of the Group's consolidated statement of profit or loss and related note disclosures.

The actual impact of applying HKFRS 18 may change as the Group continues to assess the new requirements and finalises any changes to its reporting processes, controls and accounting policies before the date of initial application.

## 4. REVENUE AND SEGMENT REPORTING

The principal activity of the Group is the operation of brick-and-mortar stores and online sales channels in the PRC.

The Group is organised, for management purpose, into business units based on the banner under which the brick-and-mortar stores and online sales channels are operated. As all of the Group's brick-and-mortar stores and online sales channels are operated in the PRC, have similar economic characteristics, and are similar in respect of products and services provided and customer type, the Group has one reportable operating segment which is the operation of brick-and-mortar stores and online sales channels in the PRC.

Revenue mainly represents the sales of goods to customers, membership fee and rental from leasing areas in the hypermarket buildings. Disaggregation of revenue from contracts with customers by major products or services is as follows:

| | Six months ended 30 September | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB million*** | *RMB million* |
| | **(Unaudited)** | (Unaudited) |
| **Revenue from contracts with customers within the scope of HKFRS 15** | | |
| – recognised at a point in time | **26,194** | 29,081 |
| – recognised over time | **7** | 18 |
| **Revenue from other sources** | | |
| – rental income from tenants | **1,286** | 1,403 |
| Total revenue | **27,487** | 30,502 |

The Group's customer base is diversified and there is no customer with whom transactions have exceeded 10% of the Group's revenue.

The transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, has not been disclosed, as substantially all of the Group's contracts have a duration of one year or less.

## 5. OTHER INCOME AND OTHER GAINS, NET

| | Six months ended 30 September | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB million*** | *RMB million* |
| | **(Unaudited)** | (Unaudited) |
| Interest income on financial assets measured at amortised cost | **110** | 153 |
| Government grants | **55** | 66 |
| Net gain on disposal and modification of investment properties and other property, plant and equipment | **51** | 116 |
| Gain on disposal of packaging material | **45** | 42 |
| Gain on financial assets measured at FVPL | **15** | 31 |
| Parking fee and miscellaneous income | **136** | 158 |
| | **412** | 566 |

## 6. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

### (a) Finance costs

| | Six months ended 30 September | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB million*** | *RMB million* |
| | **(Unaudited)** | (Unaudited) |
| Interest on lease liabilities | **122** | 150 |
| Interest on bank loans | **12** | 12 |
| Other interest expense | **10** | 12 |
| | **144** | 174 |

**(b) Staff costs**

| | Six months ended 30 September | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB million*** | *RMB million* |
| | **(Unaudited)** | (Unaudited) |
| Salaries, wages and other benefits | **3,124** | 3,392 |
| Contributions to defined contribution retirement plans [(i)] | **371** | 394 |
| Share-based compensation expenses [(ii)] | **3** | 2 |
| | **3,498** | 3,788 |

***(i) Contributions to defined contribution retirement plans***

The Group participates in pension schemes organised by the PRC government whereby the Group is required to pay annual contributions based on the statutory percentage of the average salary level in the cities where the Group's employees are employed. The Group remits all the pension fund contributions to the respective social security offices, which are responsible for the payments and liabilities relating to the pension funds. There were no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) to offset existing contribution schemes. The Group has no obligation for payment of retirement and other post-retirement benefits of employees other than the contributions described above.

The Company and its subsidiaries incorporated in Hong Kong join a Mandatory Provident Fund Scheme (the "**MPF scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan. Under the MPF scheme, the employer and its employees' relevant income, subject to a cap of monthly relevant income of HKD30,000. Contributions to the plan vest immediately, and there is no forfeited contribution that may be used by the Group to reduce the existing level of contribution.

***(ii) Share-based compensation expenses***

*Share options issued by the Company*

On 18 August 2023, the Company granted a total of 60,000,000 share options ("**2023 Options**") with an exercise price of HKD2.18 per share to three grantees in accordance with the terms of the Share Option Scheme.

On 27 March 2024, the Company granted a total of 25,000,000 share options ("**2024 Options**") with an exercise price of HKD1.54 per share to one grantee in accordance with the terms of the Share Option Scheme.

The 2023 Options and 2024 Options granted will expire in 10 years from the grant date. The share options have graded vesting terms, and vest in tranches from the grant date over the vesting period, on condition that employees remain in service without any performance requirements. The share options may be exercised at any time after they have vested subject to the terms of the award agreement and are exercisable for 10 years after the date of grant.

On 13 July 2026, the Company granted a total of 166,462,428 share options ("**2026 Options**") with an exercise price of HKD1.24 per share to 95 grantees in accordance with the terms of the Share Option Scheme. Meanwhile, it was also resolved that all the outstanding share options under the 2023 Options as at 13 July 2026, would be cancelled.

The 2026 Options granted will expire in 10 years from the grant date. The share options have graded vesting terms, and vest in tranches from the grant date over the vesting period, on condition that employees remain in service and their annual performance. The share options may be exercised at any time after they have vested subject to the terms of the award agreement and are exercisable for 10 years after the date of grant.

Movements in the number of share options granted and their related weighted average exercise prices are as follows:

| | Number of share options (thousand) | Weighted average exercise price per share option *HKD* |
|---|---|---|
| Outstanding as at 1 April 2025 | 35,000 | 1.72 |
| Exercised during the period | (800) | 2.18 |
| Outstanding as at 30 September 2025 (Unaudited) | 34,200 | 1.71 |
| Vested and exercisable at 30 September 2025 (Unaudited) | 10,450 | 1.80 |
| Outstanding as at 1 April 2026 | 9,200 | 2.18 |
| Granted during the period | 166,462 | 1.24 |
| Cancelled during the period | (9,200) | 2.18 |
| Outstanding as at 30 September 2026 (Unaudited) | 166,462 | 1.24 |
| Vested and exercisable at 30 September 2026 (Unaudited) | – | N/A |

The weighted average remaining contractual life of outstanding share options was 9.78 years as at 30 September 2026.

**(c) Other major items**

| | **Six months ended 30 September** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB million*** | *RMB million* |
| | **(Unaudited)** | (Unaudited) |
| Cost of inventories | **20,538** | 22,744 |
| Depreciation of investment properties and other property, plant and equipment | **1,299** | 1,459 |
| Amortisation of intangible assets | **5** | 5 |
| Operating lease charges | **302** | 330 |
| Impairment losses on investment properties and other property, plant and equipment *(note 9 (c))* | **126** | 29 |
| Provision for allowance related to trade receivables and other debtors | **28** | 11 |
| Donations | **–*** | –* |

* The amount is less than a million.

## 7. INCOME TAX

**(a) Income tax in the condensed consolidated statement of profit or loss and other comprehensive income represents:**

| | Six months ended 30 September | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB million*** | *RMB million* |
| | **(Unaudited)** | (Unaudited) |
| **Current tax – Hong Kong** | | |
| Provision for the period[(i)] | **–*** | – |
| **Current tax – PRC** | | |
| Provision for the period[(ii)] | **49** | 116 |
| Under-provision in respect of prior years | **–*** | 9 |
| Withholding tax | **–** | 176 |
| **Total current tax expense** | **49** | 301 |
| **Deferred taxation** | | |
| Origination and reversal of temporary difference | **47** | (77) |
| **Income tax** | **96** | 224 |

* The amount is less than a million.

(i) The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% to the six months ended 30 September 2026 (for the six months ended 30 September 2025: 16.5%), except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HKD2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated on the same basis in last period.

(ii) PRC subsidiaries are subject to income tax at 25% for the six months ended 30 September 2026 (for the six months ended 30 September 2025: 25%) under the Enterprise Income Tax law ("**EIT Law**").

Pursuant to the relevant regulations in respect of Announcement on Further Implementing Preferential Income Tax Policy for Small and Micro Enterprises (Cai Shui [2023] No. 12) jointly issued by the Ministry of Finance and the State Administration of Taxation in the PRC, qualified Small and Micro Enterprises meeting the criteria of employee number less than 300, total assets less than RMB50 million and annual taxable income less than RMB3 million are entitled to preferential tax treatment. More specifically, for the portion of annual taxable income which does not exceed RMB3 million (inclusive), income tax shall be calculated at 25% of the annual taxable income using the tax rate of 20% from 1 January 2023 to 31 December 2027. Approximately 44% of PRC subsidiaries of the Group enjoyed this preferential income tax treatment during the 2025 annual tax filing (for the 2024 annual tax filing: approximately 41%).

A subsidiary of the Group in Chinese Mainland was approved as High and New Technology Enterprise and it was subject to a preferential corporate income tax rate of 15% for the six months ended 30 September 2026 (for the six months ended 30 September 2025: 15%).

(iii) The EIT Law and its relevant regulations also impose a withholding tax at 10%, unless reduced by a tax treaty/arrangement, on dividend distributions made out of the PRC from earnings accumulated from 1 January 2008.

Under the Arrangement between the Chinese Mainland and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, a qualified Hong Kong tax resident which is the "beneficial owner" and holds 25% or more of the equity interest in a PRC resident enterprise is entitled to a reduced withholding tax rate of 5% on dividends received. As at 30 September 2026, the Company and its certain subsidiaries have obtained the Hong Kong tax resident certificate for the year ending 31 December 2027 and the withholding tax was recognised by using the reduced withholding tax rate of 5% accordingly.

Since the Group can control the quantum and timing of distribution of profits of the Group's PRC subsidiaries, deferred tax liabilities are only provided to the extent that such profits are expected to be distributed in the foreseeable future.

During the six months ended 30 September 2026 and 2025, no deferred tax expenses have been recognised in respect of the withholding tax payable on the retained profits of the Group's PRC subsidiaries generated subsequent to 1 January 2008.

As at 30 September 2026, no deferred tax liabilities were provided on post-2007 undistributed profits of the Group's PRC subsidiaries amounted to RMB937 million for which the Group has no plan to distribute them outside the PRC in the foreseeable future (31 March 2026: RMB1,174 million).

(iv) The deferred tax assets/(liabilities) recognised in the condensed consolidated statements of financial position at the end of current and previous reporting period are arising from depreciation charges on investment properties and other property, plant and equipment and right-of-use assets, income recognised from aged unutilised prepaid cards, accruals, accumulated losses carry forward and other timing differences from the respective tax bases.

## 8. LOSS PER SHARE

### (a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of RMB514 million (six months ended 30 September 2025: RMB123 million) and the weighted average of 9,540,504,700 ordinary shares (for the six months ended 30 September 2025: 9,540,104,700 ordinary shares) in issue during the interim periods.

### (b) Diluted loss per share

As the Group incurred loss for the six months ended 30 September 2026 and 2025, the dilutive potential ordinary shares of share options were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, the diluted loss per share is the same as the basic loss per share for the six months ended 30 September 2026 and 2025.

## 9. INVESTMENT PROPERTIES, AND OTHER PROPERTY, PLANT AND EQUIPMENT

### (a) Right-of-use assets

During the six months ended 30 September 2026, the Group recognised the additions to right-of-use assets of RMB594 million (six months ended 30 September 2025: RMB587 million).

The leases of hypermarket buildings contain variable lease payment terms that are based on sales generated from the hypermarkets and minimum annual lease payment terms that are fixed. As at 30 September 2026, it is estimated that an increase/decrease in sales generated from these retail stores by 5% would have increased/decreased the lease payments by RMB13 million (for the six months ended 30 September 2025: RMB14 million).

### (b) Acquisitions and disposals of owned assets

During the six months ended 30 September 2026, the Group incurred capital expenditure of RMB179 million (for the six months ended 30 September 2025: RMB234 million), primarily in respect of new store development and store remodelling and transformation. Items of building and leasehold improvements and equipment with a net book value of RMB32 million were disposed during the six months ended 30 September 2026 (for the six months ended 30 September 2025: RMB21 million), resulting in a gain on disposal of RMB8 million (for the six months ended 30 September 2025: RMB14 million).

### (c) Impairment losses

For the six months ended 30 September 2026, impairment losses were made against the carrying amount of building and leasehold improvements, equipment and right-of-use assets in certain stores of the Group. The impairment losses of RMB126 million (for the six months ended 30 September 2025: RMB29 million) were recognised in "Selling and marketing expenses" (Note 6(c)). The Group regards each individual store as a separately identifiable cash-generating unit ("**CGU**") and performed impairment assessments on each of the CGU with impairment indicators by considering the recoverable amount of such assets at store level. In determining the value in use as at 30 September 2026, the post-tax discount rate of 11% (31 March 2026: 11%) was used.

## 10. TRADE AND OTHER RECEIVABLES

| | **As at 30 September 2026** ***RMB million*** **(Unaudited)** | As at 31 March 2026 *RMB million* (Audited) |
|---|---|---|
| Trade receivables | **402** | 569 |
| Less: loss allowance | **(45)** | (34) |
| | **357** | 535 |
| Prepayments of rentals | **288** | 495 |
| Value-added tax receivables | **285** | 494 |
| | **573** | 989 |
| Other assets | **795** | 739 |
| Less: provision of impairment | **(170)** | (155) |
| | **625** | 584 |
| Trade and other receivables | **1,555** | 2,108 |
| Less: non-current portion | **(45)** | (46) |
| Trade and other receivables – current portion | **1,510** | 2,062 |

The Group's trade receivables relate to credit card sales and sales through online sales channels, the ageing of which is within one month, and credit sales to corporate customers, the ageing of which is mainly within three months. The ageing of trade receivables is determined based on invoice date. All of the Group's trade receivables were denominated in RMB.

Prepayments of rentals mainly represent prepayments for short-term leases that have a lease term of 12 months or less, leases of low-value assets and variable leases that are based on sales generated from the leased brick-and-mortar stores as well as deposits which may be offset against future rentals of aforementioned leases in accordance with the related lease agreements. The lease payments associated with these leases are not capitalised and are recognised as an expense on a systematic basis over the lease term.

Except for interests receivables of non-current time deposits and non-current restricted time deposits which will be recovered after one year, all of the trade and other receivables classified as current assets are expected to be recovered within one year.

## 11. TIME DEPOSITS AND RESTRICTED DEPOSITS

### (a) Restricted deposits

| | **As at 30 September 2026** ***RMB million*** **(Unaudited)** | As at 31 March 2026 *RMB million* (Audited) |
|---|---|---|
| Included in non-current assets: | | |
| Restricted time deposits | **1,700** | 1,700 |
| Included in current assets: | | |
| Restricted time deposits | **1,609** | 1,594 |
| Restricted demand deposits | **1,983** | 2,191 |
| Total | **3,592** | 3,785 |

Restricted deposits primarily represented deposits placed in a depository bank account supervised by certain local government authority over the outstanding prepaid card balances which have not been covered by any commercial guarantee insurance or bank guarantees as stipulated by the relevant laws and regulations in respect of the administration of single-purpose commercial prepaid cards.

### (b) Time deposits

| | **As at 30 September 2026** ***RMB million*** **(Unaudited)** | As at 31 March 2026 *RMB million* (Audited) |
|---|---|---|
| Included in non-current assets: | | |
| RMB time deposits | **1,938** | 1,780 |
| Included in current assets: | | |
| RMB time deposits | **1,310** | 1,594 |
| USD time deposits | **246** | 50 |
| Total | **1,556** | 1,644 |

Non-current time deposits are bank deposits with maturity over twelve months and redeemable on maturity. Current time deposits are bank deposits with maturity over three months, under twelve months and redeemable on maturity.

As at 30 September 2026 and 31 March 2026, the carrying amounts of the time deposits with initial terms of over three months approximated their fair values.

## 12. FINANCIAL ASSETS MEASURED AT FVPL

| | **As at 30 September 2026** ***RMB million*** **(Unaudited)** | As at 31 March 2026 *RMB million* (Audited) |
|---|---|---|
| Structured deposits | **503** | 1,684 |
| Certificates of deposit[(i)] | **305** | 302 |
| | **808** | 1,986 |

(i) The balance represents investments in certain large-denomination negotiable certificates of deposits. As the certificates of deposits were held for sale by the Group, they are classified as financial assets measured at FVPL.

## 13. CASH AND CASH EQUIVALENTS

| | **As at 30 September 2026** ***RMB million*** **(Unaudited)** | As at 31 March 2026 *RMB million* (Audited) |
|---|---|---|
| Cash at bank and in hand | **7,637** | 5,929 |
| Deposits with banks within three months of maturity | **–** | 516 |
| Other financial assets and cash equivalents | **81** | 58 |
| Cash and cash equivalents in the condensed consolidated statement of financial position and the condensed consolidated cash flow statement | **7,718** | 6,503 |

## 14. TRADE AND OTHER PAYABLES

| | **As at 30 September 2026** | As at 31 March 2026 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| | **(Unaudited)** | (Audited) |
| Trade payable | **8,552** | 8,530 |
| Construction costs payable | **418** | 464 |
| Amounts due to related parties | **109** | 110 |
| Dividends payable to non-controlling interests | **11** | 11 |
| Accruals and other payables | **4,431** | 4,840 |
| Other financial liabilities | **23** | 23 |
| | **13,544** | 13,978 |
| Less: non-current portion | **(133)** | (133) |
| Trade and other payables – current portion | **13,411** | 13,845 |

The ageing analysis of trade payables based on the invoice date is as follows:

| | **As at 30 September 2026** | As at 31 March 2026 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| | **(Unaudited)** | (Audited) |
| Within six months | **7,631** | 7,690 |
| Over six months | **921** | 840 |
| | **8,552** | 8,530 |

The carrying amounts of trade and other payables are considered to approximate their fair values.

## 15. CONTRACT LIABILITIES

| | **As at 30 September 2026** | As at 31 March 2026 |
|---|---|---|
| | ***RMB million*** | *RMB million* |
| | **(Unaudited)** | (Audited) |
| Prepaid cards | **9,481** | 10,163 |
| Advance receipts from customers | **560** | 463 |
| Customer loyalty program points liability | **38** | 37 |
| Membership fee | **–** | 10 |
| | **10,079** | 10,673 |

## 16. BANK LOANS

| | **As at 30 September 2026** ***RMB million*** **(Unaudited)** | As at 31 March 2026 *RMB million* (Audited) |
|---|---|---|
| Unsecured bank loans – maturity amount | **1,500** | 1,850 |
| Less: unamortised discount | **(2)** | (5) |
| | **1,498** | 1,845 |

(a) The carrying amount of bank loans approximated its fair value and was denominated in RMB.

(b) As at 30 September 2026, the bank loans bear interest at rates ranging from 0.90% to 2.10% (31 March 2026: 0.70% to 2.25%) per annum, which are repayable within one year.

## 17. LEASE LIABILITIES

The following table shows the remaining maturities of the Group's reasonably certain lease liabilities at the end of each reporting period:

| | **As at 30 September 2026** ***RMB million*** **(Unaudited)** | As at 31 March 2026 *RMB million* (Audited) |
|---|---|---|
| Within 1 year | **1,610** | 1,730 |
| After 1 year but within 2 years | **863** | 832 |
| After 2 years but within 5 years | **1,782** | 1,627 |
| After 5 years | **1,448** | 1,493 |
| | **4,093** | 3,952 |
| | **5,703** | 5,682 |

## 18. DIVIDENDS

On 18 November 2026, an interim dividend of HKD0.085 (equivalent to approximately RMB0.071) per ordinary share was approved by the Board in respect of the six months ended 30 September 2026 for an approximate amount of HKD811 million (equivalent to approximately RMB682 million). For purpose of illustration only, the amount of RMB was calculated using the exchange rate quoted by The Hong Kong Association of Banks on 18 November 2026.

An interim dividend of HKD0.085 per ordinary share was approved on 11 November 2025 in respect of the six months ended 30 September 2025, and the payment was made on 24 March 2026 for an amount equivalent to RMB706 million.

## FINANCIAL REVIEW

### Revenue

Revenue is derived from sales of goods, membership fee and rental income from tenants. Revenue from sales of goods is primarily derived from the brick-and-mortar stores and online sales channels where merchandise, mainly textiles, general merchandise & appliances, daily fresh products, beverages, tobacco & alcohol, snacks & leisure food, dry groceries, and cleaning & household products, are made available for sale. Revenue from sales of goods is net of value-added tax and other applicable sales taxes after deducting any trade discounts. Membership fee is derived from operating membership stores that offer members lower prices on quality products. Rental income from tenants is derived from renting of gallery space in brick-and-mortar stores complexes to operators of businesses that the Company believes are complementary to the stores.

For the six months ended 30 September 2026, revenue from sales of goods was RMB26,194 million, representing a decrease of RMB2,887 million, or 9.9%, from RMB29,081 million for the corresponding period ended 30 September 2025.

For the six months ended 30 September 2026, the Same Store Sales Growth(1) ("**SSSG**") calculated based on sales of goods was -9.5%. While the decline in average ticket size moderated, both online and offline traffic remained under pressure, which was mainly due to intensifying market competition and the diversion of customers. In addition, as customers could readily meet their shopping needs at nearby stores, their propensity for stockpiling declined and demand became increasingly fragmented. As a result, revenue from the sale of goods decreased.

For the six months ended 30 September 2026, revenue from membership fee was RMB7 million, representing a decrease of RMB11 million, or 61.1%, from RMB18 million for the corresponding period ended 30 September 2025. To align with the Group's strategy, M Club membership stores were transformed to M Club Access format with no membership fee requirement, enabling premium, high-quality products to reach broader consumers for daily shopping.

For the six months ended 30 September 2026, revenue from rental income was RMB1,286 million, representing a decrease of RMB117 million, or 8.3%, from RMB1,403 million for the corresponding period ended 30 September 2025. The revenue from rental income remained under pressure. The Group appropriately reduced the floor area of hypermarket and expanded the leasable area of galleries through space reallocation, with the aim of offsetting the downward pressure on rental rates with a larger leasable area and supporting a gradual recovery in rental income.

*Note:*

(1) Same store sales growth: the growth rate of sales of the stores opened before 30 September 2025. It is calculated by comparing the sales derived from those stores during their operating periods in the six months ended 30 September 2025 with sales during the corresponding periods ended 30 September 2026.

**Gross Profit**

For the six months ended 30 September 2026, gross profit was RMB6,912 million, representing a decrease of RMB807 million, or 10.5%, from RMB7,719 million for the six months ended 30 September 2025.

The gross profit margin for the six months ended 30 September 2026 was 25.1%, representing a slight decrease of 0.2 percentage points from 25.3% for the six months ended 30 September 2025.

The Group's overall gross profit margin remained stable. The product and supply chain realignments did not adversely affect the overall gross profit margin, and the gross profit margins of the fresh foods and private brand products continued to improve.

**Other Income and Other Gains, net**

Other income and other gains, net consists of interest income, government grants, net gain on disposal and modification of investment properties and other property, plant and equipment, income from disposal of packaging materials, gain on financial assets measured at FVPL, and parking fee and miscellaneous income.

For the six months ended 30 September 2026, other income and other gains, net was RMB412 million, representing a decrease of RMB154 million, or 27.2%, from RMB566 million for the six months ended 30 September 2025, which was mainly due to the reductions of interest income, gain on financial assets measured at FVPL, and one-off net gain on disposal and modification of investment properties and other property, plant and equipment.

**Selling and Marketing Expenses**

Selling and marketing expenses represent the expenses attributable to the operations of the stores and online business. Selling and marketing expenses primarily consist of personnel expenses, operating lease charges, expenses for utilities, maintenance, advertising, packing and delivery, platform expense, together with the depreciation of other property, plant and equipment.

For the six months ended 30 September 2026, selling and marketing expenses were RMB6,968 million, representing a decrease of RMB335 million, or 4.6%, from RMB7,303 million for the corresponding period ended 30 September 2025. Notwithstanding an increase of impairment losses of RMB97 million accrued for the stores with negative cash flows, selling and marketing expense decreased year-on-year, which was mainly due to the management's continued implementation of multi-dimensional expense control. Personnel costs, packing and delivery expenses for online business, utility expenses, operating lease charges and maintenance expenses all decreased. The expense savings partially offset the decrease of gross profit.

The amount of selling and marketing expenses for the six months ended 30 September 2026 as a percentage of total revenue was 25.4%, representing an increase of 1.5 percentage points from 23.9% for the corresponding period ended 30 September 2025.

**Administrative Expenses**

Administrative expenses primarily consist of personnel expenses, travelling expenses, depreciation of other property, plant and equipment and other expenses for the administrative departments.

For the six months ended 30 September 2026, administrative expenses were RMB633 million, representing a decrease of RMB78 million, or 11.0%, from RMB711 million for the corresponding period ended 30 September 2025.

The decrease was mainly due to the decrease in personnel costs, which benefited from the management's efforts to centralise headquarters resources to enhance cost efficiency.

The amount of administrative expenses for the six months ended 30 September 2026 as a percentage of total revenue was 2.3%, which was unchanged from the same period ended 30 September 2025.

**(Loss)/Profit from Operations**

For the six months ended 30 September 2026, the loss from operations was RMB277 million, representing a decrease of RMB548 million, from the profit from operations of RMB271 million for the corresponding period ended 30 September 2025.

The operating loss margin during the six months ended 30 September 2026 was 1.0%, representing a decrease of 1.9 percentage points, from the operating profit margin of 0.9% for the corresponding period ended 30 September 2025.

**Adjusted EBITDA (non-HKFRS measure)**

For the six months ended 30 September 2026, the Adjusted EBITDA (non-HKFRS measure) was RMB1,028 million, representing a decrease of RMB552 million, or 34.9%, from RMB1,580 million for the six months ended 30 September 2025.

The Adjusted EBITDA (non-HKFRS measure) margin for the six months ended 30 September 2026 was 3.7%, representing a decrease of 1.5 percentage points, from 5.2% for the six months ended 30 September 2025.

**Finance Costs**

Finance costs primarily consist of the interest expenses on lease liabilities, bank loans and other interest expense. For the six months ended 30 September 2026, the finance costs were RMB144 million, representing a decrease of RMB30 million, or 17.2%, from RMB174 million for the corresponding period ended 30 September 2025. The decrease was mainly due to the reduced amortised interest on lease liabilities.

**Income Tax**

For the six months ended 30 September 2026, income tax was RMB96 million, representing a decrease of RMB128 million, or 57.1%, from RMB224 million for the six months ended 30 September 2025.

Although the Group generated a loss before income tax for the six months ended 30 September 2026, the Group still incurred income tax expense of RMB96 million, which was mainly due to the changes in mix of profit-making and loss-making entities, while deferred tax benefits of several loss-making entities are not recognised as the recoverability of those tax losses before their expiry was not certain.

**Loss for the Period**

For the six months ended 30 September 2026, loss for the period was RMB517 million, representing an increase of RMB390 million or 307.1%, from a loss of RMB127 million for the corresponding period ended 30 September 2025.

The net loss margin for the six months ended 30 September 2026 was 1.9%, increasing by 1.5 percentage points, from a net loss margin of 0.4% of the corresponding period ended 30 September 2025. The increase was primarily due to the decrease in operating margin.

**Loss Attributable to Equity Shareholders of the Company**

For the six months ended 30 September 2026, the loss attributable to equity shareholders of the Company was RMB514 million, representing an increase of RMB391 million, or 317.9%, from a loss of RMB123 million for the corresponding period ended 30 September 2025.

**Loss Attributable to Non-Controlling Interests**

For the six months ended 30 September 2026, the loss attributable to non-controlling interests was RMB3 million, representing a slight decrease of RMB1 million from a loss of RMB4 million for the corresponding period ended 30 September 2025.

The loss attributable to non-controlling interests represented (i) the interest held by independent third parties in three of the subsidiaries, namely, RT-MART Limited Shanghai, People's RT-Mart Limited Jinan and Fields Hong Kong Limited ("**Fields HK**"); and (ii) the interest held by Hema (China) Co., Ltd. in Shanghai Run He Internet Technology Co., Ltd.

**Liquidity, Financial Resources and Gearing Ratio**

For the six months ended 30 September 2026, net cash inflow from operating activities was RMB1,786 million, representing an increase of RMB463 million, or 35.0%, from RMB1,323 million for the six months ended 30 September 2025.

Without taking into account the impact of restricted cash variances, net cash inflow from operating activities was RMB1,578 million for the six months ended 30 September 2026, representing an increase of RMB542 million, from RMB1,036 million for the corresponding period ended 30 September 2025.

The increase was caused by the improvement in working capital movement, which was mainly attributable to (i) changes in the pattern of product returns as a result of the calendar shift effect of the Spring Festival leading to the decrease in inventories at the end of the reporting period; (ii) the Group's proactive phasing out of long-tail merchandise and optimisation of its product mix, which accelerated the inventory turnover.

As at 30 September 2026, the net current liabilities increased to RMB5,408 million from RMB5,082 million as at 31 March 2026. If taking into account the impact of the time deposits and restricted time deposits with maturity over a year, the adjusted net current liabilities were RMB1,770 million, representing an increase of RMB168 million from RMB1,602 million as at 31 March 2026. The increase of the net current liabilities was primarily attributed to the Group's declaration and payment of dividend, which was partially offset by the improvement in working capital movement.

For the six months ended 30 September 2026, the inventory turnover days and trade payable turnover days, calculated on average balances of inventories and trade payables, together with the cost of inventories during the past six months, were 58 days and 75 days, respectively, compared to 60 days and 79 days for the corresponding period ended 30 September 2025.

As at 30 September 2026, the net cash position of the Group was RMB10,520 million as compared to RMB10,063 million as at 31 March 2026. The gearing ratio, calculated by dividing net cash position by the total equity was 0.65 as at 30 September 2026 as compared to 0.58 as at 31 March 2026.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between shareholder return and sound capital position. The Group continually makes adjustments, when necessary, to maintain an optimal capital structure and to reduce the cost of capital.

**Investing Activities**

For the six months ended 30 September 2026, net cash inflow from investing activities was RMB989 million, representing a decrease of RMB991 million, or 50.1%, from net cash inflow of RMB1,980 million for the six months ended 30 September 2025. The decrease was mainly due to the decrease in the net proceeds generated from investment in financial assets measured at FVPL.

The net cash inflow from investing activities was mainly reflected in (i) the capital expenditure of RMB199 million paid in respect of the development of new stores and dark stores and the remodelling and transforming of existing stores; (ii) the net proceeds generated from investment in financial assets measured at FVPL of RMB1,193 million; and (iii) the net cash outflow from investment in time deposits and restricted time deposits with maturity over three months of RMB92 million.

**Financing Activities**

For the six months ended 30 September 2026, net cash outflow from financing activities was RMB1,560 million, with a decrease of RMB700 million, or 31.0%, from net cash outflow of RMB2,260 million for the six months ended 30 September 2025.

The decrease was mainly due to (i) a decrease in the cash outflow of dividend paid to the Company's equity shareholders of RMB772 million; and (ii) the net cash outflow from bank loans of RMB354 million compared to the net cash outflow of RMB254 million for the corresponding period ended 30 September 2025.

**Material Acquisitions and Disposals**

The Group did not have any material acquisitions or disposals in relation to subsidiaries, associates and joint ventures during the six months ended 30 September 2026.

**Foreign Exchange Risks**

The Group's businesses are principally conducted in RMB and most of the Group's monetary assets and liabilities are denominated in RMB. Accordingly, the Directors consider the Group's exposure to foreign exchange risk is not significant.

As of the date of this announcement, the Group has not used any currency hedging instruments, but the management will continue to closely monitor exchange rate fluctuations and will take appropriate measures to keep foreign exchange risk exposure to the minimum.

**Pledged Assets**

As at 30 September 2026, the Group did not pledge any assets for bank loans or banking facilities.

**Non-HKFRS measure: Adjusted EBITDA**

In order to supplement the condensed consolidated statement of profit or loss and other comprehensive income, which is presented in accordance with HKFRS Accounting Standards, Adjusted EBITDA (non-HKFRS measure) is used as additional financial measure, which is not required by, or presented in accordance with, HKFRS Accounting Standards, to evaluate the Group's operating performance.

The Company believes that the non-HKFRS measure helps to identify underlying trends in its business and provide useful information for investors and others to understand and evaluate its results of operation. However, the presentation of Adjusted EBITDA (non-HKFRS measure) may not be comparable to similarly titled measure presented by other companies as they do not have a standardised meaning. The application of the non-HKFRS measure has limitations as an analytical tool, and the equity shareholders and investors should not consider it in isolation from, or as substitute for analysis of, the results of operations or financial condition of the Group as reported under HKFRS Accounting Standards.

The Adjusted EBITDA (non-HKFRS measure) is defined as (loss)/profit from operations, adding back depreciation of investment properties and other property, plant and equipment, amortisation of intangible assets, impairment losses on investment properties and other property, plant and equipment and impairment losses on goodwill; and net of interest income on financial assets measured at amortised cost and gain on financial assets measured at fair value through profit or loss.

Reconciliations of the non-HKFRS financial measure to the most directly comparable HKFRS financial measure are included in the tables below.

| | Six months ended 30 September | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB million*** | *RMB million* |
| | **(Unaudited)** | (Unaudited) |
| (Loss) /profit from Operations – as reported | **(277)** | 271 |
| Non-HKFRS adjustments | | |
| Depreciation of investment properties and other property, plant and equipment | **1,299** | 1,459 |
| Amortisation of intangible assets | **5** | 5 |
| Impairment losses on investment properties and other property, plant and equipment | **126** | 29 |
| Interest income on financial assets measured at amortised cost | **(110)** | (153) |
| Gain on financial assets measured at FVPL | **(15)** | (31) |
| Adjusted EBITDA (non-HKFRS measure) | **1,028** | 1,580 |

## BUSINESS REVIEW

### Operating Environment

In the first three calendar quarters of 2026, China's gross domestic product ("**GDP**") grew by 4.6% year-on-year to about RMB107,107.1 billion. In terms of the growth rate per calendar quarter, the year-on-year growth rate was 5.0% in the first quarter, 4.3% in the second quarter and 4.5% in the third quarter.

In the first three calendar quarters of 2026, the overall consumer price index ("**CPI**") increased by 0.9% compared to the same period last year, and the food CPI decreased by 0.9%. The pork CPI decreased by 12.9% year-on-year. From June to September this year, the pork CPI decreased by 15.9%, 13.3%, 11.8% and 10.0%, respectively, year-on-year, with the decline narrowing month by month. The non-food CPI increased by 1.3%.

In the first three calendar quarters of 2026, China's total retail sales of consumer goods amounted to RMB37,000.1 billion, representing a year-on-year increase of 1.1%. Divided by consumption types, the retail sales of commodities reached RMB32,803.2 billion, a year-on-year increase of 1.0%, and catering revenue reached RMB4,196.9 billion, a year-on-year increase of 2.4%. The national online retail sales amounted to RMB15,147.1 billion for the first three calendar quarters of 2026, representing a year-on-year increase of 4.4%. The online retail sales of goods reached RMB9,506.0 billion, representing a year-on-year increase of 3.8%.

**Business Update & Highlights**

***Fresh food fuels traffic, delivering across-the-board performance gains.***

Fresh food acts as the Group's core traffic driver. Powered by dual levers of products and price, alongside integrated marketing initiatives to strengthen customer perception, the repeat purchase rate rose by 1.6 percentage points. Concurrently, overall fresh food sales volume increased 1.6%, penetration rate up by 2.0 percentage points with gross margin improving by 1.2 percentage points, reflecting steady improvement in operating performance.

The Group has rolled out scenario-led marketing initiatives including morning sessions of Trusted Market, catering to customers' shopping habits. These moves effectively lifted overall in-store traffic and shopping frequency, proving the value of fresh-food scenario marketing to the community traffic.

***Private Brand ("PB") scales up, complemented by branded assortments to enrich customer offerings***

The Group further develops a differentiated product portfolio across its dual brands, RT-Mart Select ("潤發甄選") and Super Saver ("超省"), with PB offerings complementing branded merchandise to enrich the product assortment. As of September 2026, PB sales accounted for 3.6% of total sales and 7.7% within relevant sub-sections, with 20% of categories covered. During the reporting period, PB sales share continued to rise and the category footprint kept expanding. PB sales rose 82% year-on-year, and repeat purchase rate increased by 4.9 percentage points. Scale and quality improved steadily, supporting member repeat visits and retention.

The Group advances its brand building through various initiatives. It has rolled out the brand refresh and packaging upgrade for RT-Mart Select, alongside in-store display optimisation across the full PB portfolio. Leveraging differentiated products, the Group boosts user stickiness on its proprietary APP and lifts the online channel sales share. The Group deepens its dual-brand strategy to focus on essential daily categories to consolidate competitiveness in everyday goods, while capturing trend-driven opportunities to build presence in high-growth wellness categories. The Group has established an omni-channel marketing calendar to accelerate launches and iterations of seasonal lines, broaden category breadth, driving sustained improvements in user retention and repeat purchases.

***National joint procurement reshapes supply chain and builds standardised product matrix***

The Group adopts national joint procurement as the core lever for supply chain transformation. It optimises the supplier management system and builds a standardised product matrix to lift product competitiveness, with sales share from national joint procurement suppliers rising steadily. The sales share of national joint procurement has reached 25% for fresh food and 33% for standard non-fresh merchandise respectively.

National joint procurement programmes for fresh food continue to roll out across meat, poultry, eggs, seafood, fruits and vegetables, driving steady gains in its sales share. Targeting strategic and top-tier suppliers, the Group puts in place unified frameworks for supplier onboarding, negotiation, performance review, and advance cross-category resource coordination. The programme also advances tiered product segmentation, hero SKU development, sourcing for year-round and seasonal items, and migration of selected categories to PB, to sharpen the competitiveness of fresh food offerings.

For standard non-fresh merchandise, national joint procurement actively onboards new products and emerging brands to capture growth from trending categories and speed up new-product launch cycles. The Group streamlines SKUs to rationalise its product portfolio and refine overall product mix. Granular inventory management is deployed to lower inventory levels, gradually develop differentiation and competitiveness for standard non-fresh merchandise.

***Core format strategy execution, store remodels lift quality and efficiency***

The Group presses ahead with store remodelling across four dimensions: expand, reconfigure, downsize and rationalise, to drive quality and efficiency gains across its multi-format operations.

Expand: The Group targets prime locations for new stores and dark stores. It plans to roll out new hypermarkets and dark stores in phases, while freeing up in-store space to expand galleries and add gallery floor area.

Reconfigure: The Group implements modular remodelling for community lifestyle centres and has developed 25 standardised, replicable remodelling modules. This includes 11 fresh-food dedicated modules covering three core scenarios, grocery shopping, ready-to-eat offerings and dining. Through scenario-led remodelling, the Group strengthens related displays to drive associated sales and encourage customer add-on purchases. Four gallery restructuring projects will also be rolled out in the current fiscal year, with tenant count expected to rise by approximately 40% and gallery floor area set to double after remodelling. A diversified tenant mix will be introduced, including F&B, education and training, sports and entertainment, lifestyle services and general merchandise accessories.

Downsize: The Group optimises in-store space to boost operational efficiency. The first batch of stores undergoing second-phase remodelling has been launched, with moderate reduction in store footprint. Following the principle of reducing SKUs while adding customer needs, the Group gradually lowers average SKUs per store so the product mix aligns with store footprint.

Rationalise: The Group continues rent renegotiations to optimise rental costs. Rent reduction agreements for multiple stores have been finalised, delivering planned rental savings. The Group phases out negative-cash-flow stores and closes underperforming locations to revitalise its store asset portfolio.

***Expansion Status***

In fiscal year 2026, the Group restructured six operational regions into four operational regions, including Eastern China Region, Northern China Region, Northeastern China Region, and Southern China Region. All stores previously under Central China Region and Western China Region were reassigned to the Eastern China Region, Northern China Region, and Southern China Region for management. Please refer to note 1 below for the provinces covered by the current four operational regions.

During the six months ended 30 September 2026, the Group opened two M Club Accesses, both of which are located in Eastern China. During the reporting period, the Group closed seven hypermarkets, of which four were located in Eastern China and three were located in Northern China.

As of 30 September 2026, the Group had a total of 454 hypermarkets, 34 superstores, and nine M Club Accesses, including six converted from membership stores. The total gross floor area ("**GFA**") of hypermarkets, superstores and M Club Accesses was approximately 13.30 million square meters, of which about 64.5% of the GFA was in leased properties, and 35.5% of the GFA was in self-owned properties.

As of 30 September 2026, approximately 6.0% of the Group's hypermarkets, superstores and M Club Accesses were located in first-tier cities, 17.7% in second-tier cities, 49.3% in third-tier cities, 19.5% in fourth-tier cities and 7.5% in fifth-tier cities. Please refer to note 2 below for definitions of city tiers.

| | Number of Brick-and-Mortar Stores (As of 30 September 2026) | | | | | Total GFA of Brick-and-Mortar Stores (sq.m.) (As of 30 September 2026) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Region | Hypermarket | Superstore | M Club Access | Total | Percentage | Hyper market | Super store | M Club Access | Total | Percentage |
| Eastern China | 236 | 17 | 9 | 262 | 53% | 6,698,921 | 116,191 | 307,022 | 7,122,134 | 54% |
| Northern China | 53 | 6 | 0 | 59 | 12% | 1,440,769 | 45,709 | 0 | 1,486,478 | 11% |
| Northeastern China | 48 | 6 | 0 | 54 | 11% | 1,590,306 | 49,714 | 0 | 1,640,020 | 12% |
| Southern China | 117 | 5 | 0 | 122 | 24% | 3,022,344 | 24,109 | 0 | 3,046,453 | 23% |
| **Total** | **454** | **34** | **9** | **497** | **100%** | **12,752,340** | **235,723** | **307,022** | **13,295,085** | **100%** |

*Notes:*

(1) The Group adopts the following regional zoning according to the national regional economic planning guidelines:

| | |
|---|---|
| Eastern China: | Shanghai City, Zhejiang Province, Jiangsu Province, Anhui Province, Hubei Province, Jiangxi Province (Excluding Ganzhou City) |
| Northern China: | Beijing City, Tianjin City, Shandong Province, Hebei Province, Henan Province, Shanxi Province, Gansu Province, Qinghai Province, Shaanxi Province, Inner Mongolia Autonomous Region (Ordos City), Ningxia Hui Autonomous Region |
| Northeastern China: | Jilin Province, Liaoning Province, Heilongjiang Province, Inner Mongolia Autonomous Region (Tongliao City) |
| Southern China: | Guangdong Province, Fujian Province, Hainan Province, Yunnan Province, Guizhou Province, Hunan Province, Sichuan Province, Chongqing City, Jiangxi Province (Ganzhou City), Guangxi Zhuang Autonomous Region |

(2) City tiers were classified according to the following standards:

| | |
|---|---|
| First-tier cities: | Municipalities under the direct jurisdiction of the central government and Guangzhou City |
| Second-tier cities: | Provincial capitals and sub-provincial cities |
| Third-tier cities: | Prefecture-level cities |
| Fourth-tier cities: | County-level cities |
| Fifth-tier cities: | Townships and towns |

## Human Resources

As of 30 September 2026, the Group had 74,636 employees (81,954 as of 30 September 2025). The total employee benefit expense was RMB3,498 million (RMB3,788 million as of 30 September 2025).

## Outlook

Against a market backdrop of intensifying online-offline retail competition and increasingly fragmented consumption scenarios, the Group is steadily rolling out its multi-format portfolio of hypermarkets, supermarkets and dark stores. Rooted in the needs of local community customers, the Group is deepening and leveraging its fresh-food traffic advantage. By building supply chain capabilities and reshaping store spaces, the Group is developing high-value everyday consumption destinations close to local residents, and continuously enhancing customers' in-store and online shopping experience.

Supply chain and product capabilities underpin the Group's long-term transformation. The Group expands the coverage of national joint procurement, strengthens strategic partnerships with core suppliers, further develops its private brand system and builds differentiated product assortments to gradually create competitive moats for its offerings. On store operations, the Group continues to optimise space layouts, unlock underutilised floor area for gallery expansion and improve sales productivity of large stores through modular remodelling. In parallel, the Group reviews store assets and conduct rent renegotiations to tap the latent value embedded in its physical assets.

While the transformation creates near-term pressures, the Group maintains a robust cash flow profile and will continue to pursue change with a long-term perspective. Through the dual iteration of merchandise and store formats, the Group addresses customers' genuine consumption needs, further strengthens its operational fundamentals and delivers more resilient long-term business growth.

## OTHER INFORMATION

### Corporate Governance

The Board is committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company recognises that a good corporate culture is essential to support and complement its corporate governance efforts and corporate image. The Company has developed a corporate culture emphasising lawful, ethical and responsible business conduct over the years, which has been reflected in the overall operations and management of the Group. In order to promote open communication in the workplace and high ethical standards among staff and management of the Group, the Group has established the anti-corruption and whistle-blowing policies and trainings, to provide guidance on identifying potential breaches or improper behaviour, reporting procedures and consequences of violations of such policies. For further details on the Group's anti-corruption and whistle-blowing policies, please see the environmental, social and governance report of the Company.

The Company has devised its own Corporate Governance and Compliance Manual which incorporates all the principles and practices as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules.

The Company reviews its organisational structure regularly to ensure its operations are in line with the good corporate governance practices as set out in the CG Code and align with the latest developments.

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code for the six months ended 30 September 2026 and up to the date of this announcement except for the code provision C.2.1 with details as below.

Following the appointment of Mr. Julian Juul WOLHARDT as the Chief Executive Officer with effect from 8 March 2026, he serves as both the Chairman of the Board and the Chief Executive Officer. This appointment deviates from the requirements in the code provision C.2.1 of Part 2 of the CG Code, which stipulates that the duties of the Chairman of the Board and the Chief Executive Officer should be separate and should not be performed by the same individual. Given Mr. Julian Juul WOLHARDT's extensive management experience and knowledge of the Group's operation, the Board believes that vesting the roles of both Chairman of the Board and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group and therefore believes such arrangement is in the best interest of the Company and the shareholders as a whole.

Further information of the corporate governance practice of the Company was set out in the corporate governance report included in the annual report of the Company for the year ended 31 March 2026.

## Audit Committee

The Audit Committee has reviewed and discussed the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2026 with the external auditors, KPMG, who have reviewed the interim financial information in accordance with Hong Kong Standard on Review Engagements 2410.

## Securities Transactions by Directors

The Company has adopted its own code of conduct regarding Directors' and relevant employees' dealings in the Company's securities (the "**Company Code**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code and the Company Code throughout the six months ended 30 September 2026.

## Purchase, Sale and Redemption of the Company's Listed Securities

During the six months ended 30 September 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

As at 30 September 2026, the Company did not hold any treasury shares.

## Dividends

At the Board meeting held on 18 November 2026, the Board declared an interim dividend of HK$0.085 (equivalent to approximately RMB0.071) per ordinary share for the six months ended 30 September 2026 (the "**Interim Dividend**") (2025 interim dividend: HK$0.085 per ordinary share, equivalent to approximately RMB0.077 per ordinary share). The Interim Dividend is expected to be paid on 12 January 2027 (Tuesday) to the shareholders of the Company (the "**Shareholders**") whose names appear on the Company's register of members at the close of business at 4:30 p.m. on 3 December 2026 (Thursday).

While the Interim Dividend will be payable in cash to each shareholder in HK$ by default, shareholders have the right to elect to receive all in Renminbi ("**RMB**") or United States Dollars ("**US$**"), or a combination of HK$, RMB and US$. The amount of RMB and US$ will be calculated using the exchange rates quoted by The Hong Kong Association of Banks at 10 December 2026.

In light of the provision of currency options of receiving the Interim Dividend, the expected payment date of Interim Dividend will be 12 January 2027 (Tuesday) to facilitate the arrangement of currency election of the Interim Dividend.

If Shareholders elect to receive all the Interim Dividend in RMB or US$ or a combination of HK$, RMB or US$, Shareholders should complete the Dividend Currency Election Form which is expected to be despatched to Shareholders on 10 December 2026 (Thursday) after the record date of 3 December 2026 (Thursday) to determine Shareholders' entitlement to the Interim Dividend, and lodge it with the Company's share registrar, Computershare Hong Kong Investor Services Limited, on 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 28 December 2026 (Monday).

Shareholders who are minded to elect to receive their dividends in RMB or US$ by cheques should note that (i) they should ensure that they have an appropriate bank account to which the RMB or US$ cheques for dividend can be presented for payment; and (ii) there is no assurance that RMB or US$ cheques can be cleared without material handling charges or delay in Hong Kong or that RMB or US$ cheques will be honoured for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant Shareholders by ordinary post on 12 January 2027 (Tuesday) at the Shareholders' own risk.

If no duly completed Dividend Currency Election Form in respect of the Shareholder is received by the Company's share registrar by 4:30 p.m. on 28 December 2026 (Monday), such Shareholder will automatically receive the Interim Dividend in HK$. All dividend payments in HK$ will be made in the usual way on 12 January 2027 (Tuesday).

If Shareholders wish to receive the Interim Dividend in HK$ in the usual way, no additional action is required. Shareholders should seek professional advice from their own tax advisers regarding the possible tax implications of the dividend payment.

**Closure of Register of Members and Record Date**

For purposes of determining the entitlement to the proposed Interim Dividend, the record date is fixed on 3 December 2026 (Thursday). To ensure that Shareholders are eligible for the Interim Dividend, Shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's share registrar, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 3 December 2026 (Thursday).

**Publication of Interim Results and Interim Report for the six months ended 30 September 2026 of the Company**

The interim results announcement of the Company is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sunartretail.com). The Interim Report of the Company for the six months ended 30 September 2026 will be dispatched (if requested) to the shareholders of the Company and made available for review on the aforesaid websites in due course.

**Events Occurring After the Reporting Period**

After the end of the reporting period, the Board declared the distribution of an interim dividend for the six months ended 30 September 2026. Details of the interim dividend are set out in the section "Dividends" in this announcement.

Save as disclosed in this announcement, no important event or transaction affecting the Group and which is required to be disclosed by the Company to its shareholders has taken place since 30 September 2026 and up to the date of this announcement.

By Order of the Board
**Sun Art Retail Group Limited**
**Julian Juul WOLHARDT**
*Chairman of the Board, Executive Director and Chief Executive Officer*

Hong Kong, 18 November 2026

As at the date of this announcement, the Directors are:

*Executive Director:*
Julian Juul WOLHARDT *(Chairman and Chief Executive Officer)*

*Non-Executive Directors:*
Mengxue MEI
LIU Hao

*Independent Non-Executive Directors:*
Karen Yifen CHANG
Charles Sheung Wai CHAN
YIH, Dieter Lai Tak