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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)

POSITIVE PROFIT ALERT

This announcement is made by Sun Art Retail Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company hereby informs the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2025 (the “**Fiscal Year**”), it is expected that net profit after tax for this Fiscal Year will have a significant improvement and achieve a turnaround from a net loss to net profit after tax of approximately RMB350 million to RMB400 million (unaudited) (calculated in accordance with Hong Kong Financial Reporting Standards), as compared to the Group’s net loss after tax of RMB1.668 billion for the year ended 31 March 2024.

The improvement in net profit after tax for this Fiscal Year is primarily attributable to (i) a steady growth in sales revenue, with positive same-store sales growth outperforming the results for the six months ended 30 September 2024; and (ii) significant results from cost reduction and efficiency enhancement initiatives, along with a boost in sales revenue, leading to a further optimization of the expense ratio.

The Group is committed to focusing on customer needs through active planning across key areas, including products, pricing, efficiency, store planning, and talent development, thereby achieving a moderate recovery in performance for this Fiscal Year while laying a solid foundation for future development.

The information contained in this announcement is only based on a preliminary assessment and estimates made by the Board based on the information currently available to it, including the unaudited consolidated management accounts for the year ended 31 March 2025, which have not been audited nor reviewed by the Company's auditors, and have not been confirmed by the audit committee of the Company. As such, the data may differ from figures to be disclosed in the audited consolidated financial statements to be published by the Company for the year ended 31 March 2025. Shareholders and potential investors are advised to refer to the details in the announcement of the Company for the annual results for the year ended 31 March 2025, which will be published within the time frame stipulated under the Listing Rules.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
Sun Art Retail Group Limited
SHEN Hui
Executive Director and Chief Executive Officer

Hong Kong, 24 April 2025

As at the date of this announcement, the directors of the Company are:

Executive Director:

SHEN Hui (*Chief Executive Officer*)

Non-executive Directors:

Julian Juul WOLHARDT (*Chairman*)

Guannan WANG

Mengxue MEI

Independent Non-executive Directors:

Karen Yifen CHANG

Charles Sheung Wai CHAN

YIH Lai Tak, Dieter