

SUN ART
Retail Group Limited

高鑫零售有限公司

Stock code: 6808



**2017 First Quarter
Results Announcement**



Retail Group Ltd.



About SUN ART

SUN ART Retail Group Limited



Mortar Stores



E-Commerce



SUN ART

Retail Group Limited

高鑫零售有限公司

01 Operating Environment

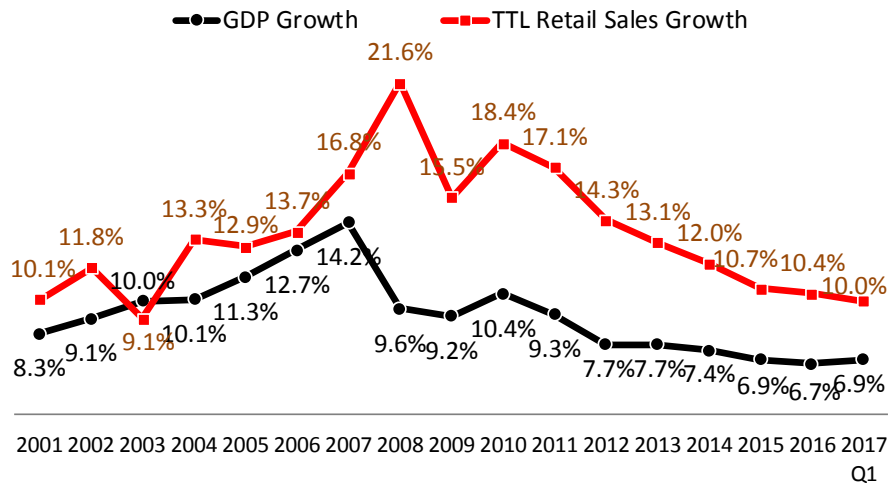
02 Financial Review

03 Business Review

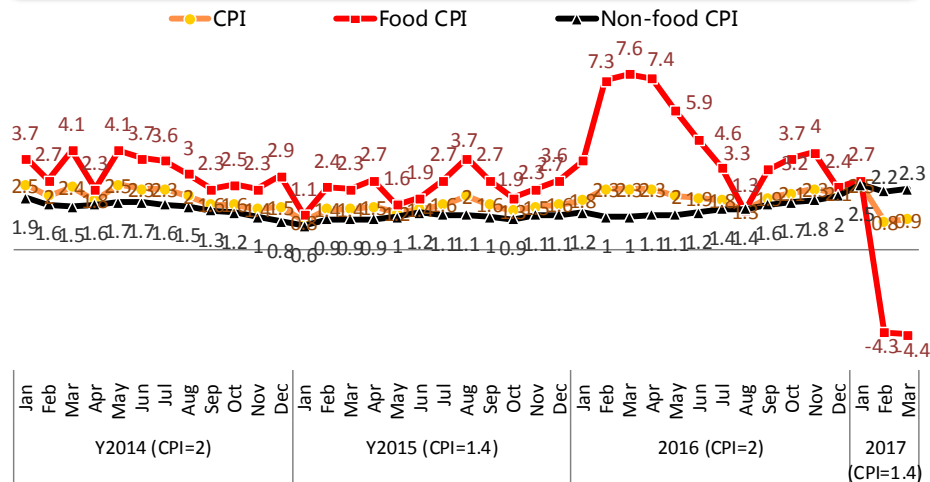


Operating Environment

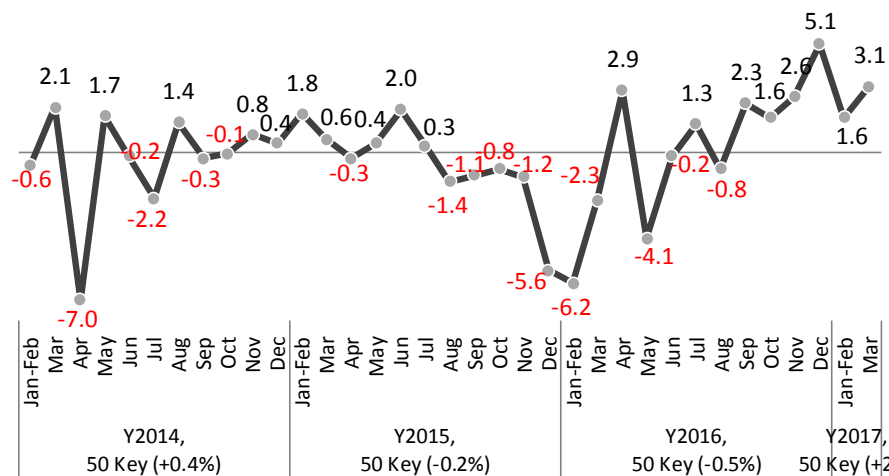
**(1) Growth of GDP
& Total Retail Sales of Consumer Goods**



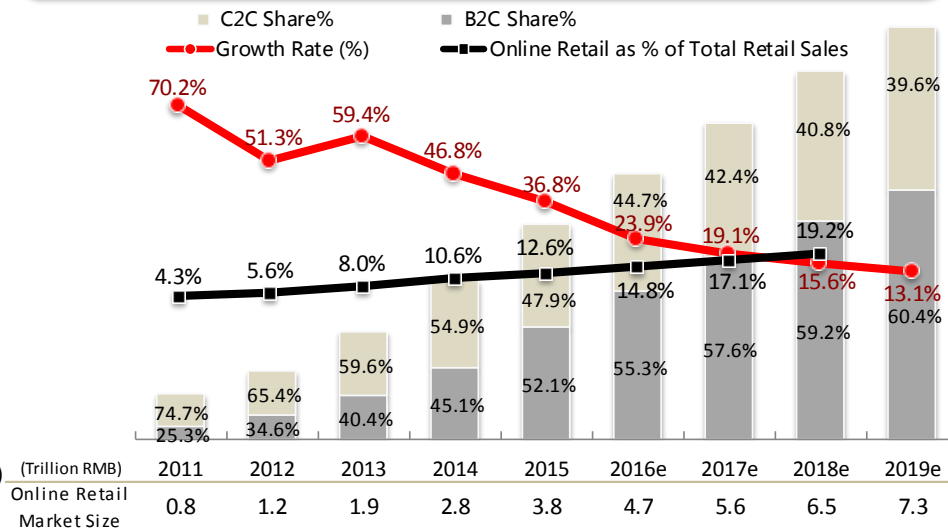
**(2) 2017Q1 : CPI 1.4%
(Food CPI -2.1%, Non Food CPI 2.3%)**



(3) 2017Q1 : 50 Key Retailers Sales Growth was +2%



(4) Online physical products sales accounted for 12.4% of total retail sales in 2017Q1, up by 25.8%

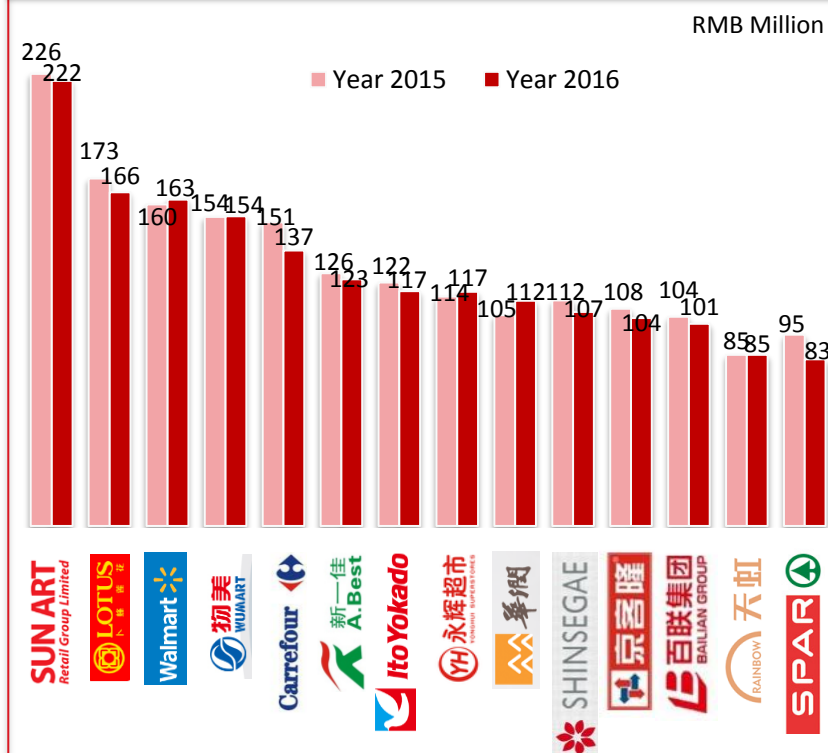


Source:

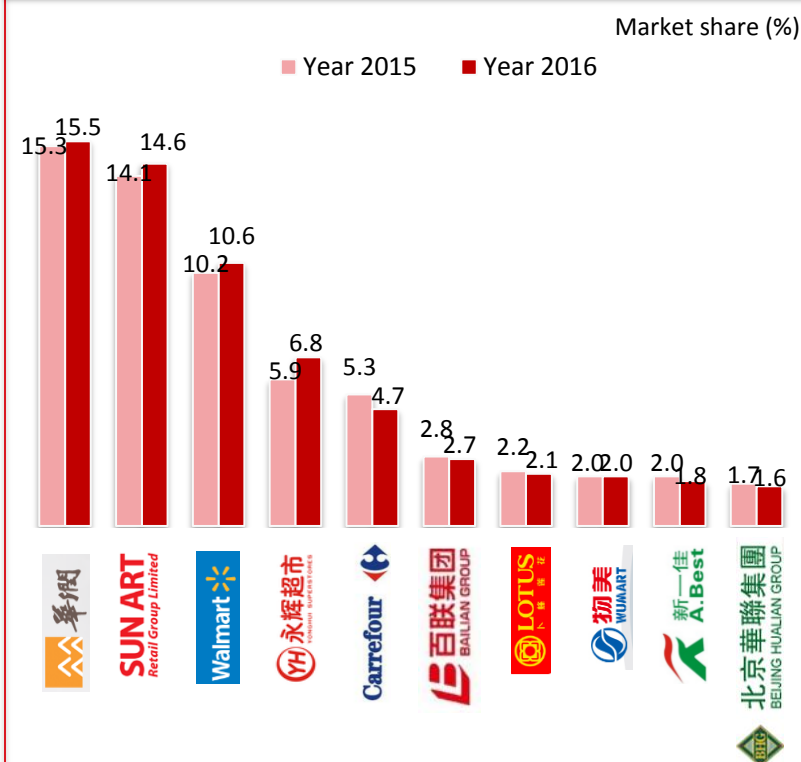
Chart(1),(2) from the National Bureau of Statistics of China; Chart (3) from China Nation Commercial Information; Chart (4) from iResearch

Leading Retailer in China

Average Sales (Excluding Sales Tax) Per Store in 2015 and 2016 in the Hypermarkets Industry



Market Share in the Hypermarkets industry 2015 and 2016



Source: Euromonitor

- (1) All 2015 numbers are the historical actual performance data and 2016 numbers are estimated based on the first half year actual performance of 2016.
- (2) The definition of Hypermarkets from Euromonitor is retail outlets with a selling space of over **2,500 square meters** and with a primary focus on selling food / beverages / tobacco and other groceries.
- (3) In the hypermarkets of Euromonitor data:
Walmart including “Wal-Mart (China) Investment Co. Ltd.” and “Trust-Mart Co. Ltd.”;
Bailian Group including “Lianhua Supermarket Holdings Co. Ltd.” and “Hualian GMS Shopping Center Co. Ltd.”.

Leading Retailer in China

Top 10 China Retailers Market Share in 2015 and 2016

	2015 Market Share (%)	2016 Market Share (%)
Alibaba Group Holding Ltd	6.3	7.5
JD.com Inc	2.3	3.5
Suning Commerce Group Co Ltd	1.0	1.2
China Resources Holdings Co Ltd	1.2	1.1
GOME Electrical Appliances Holding Ltd	0.9	0.9
Sun Art Retail Group Ltd	0.7	0.7
Wal-Mart Stores Inc	0.7	0.5
Vipshop Holdings Ltd	0.4	0.5
Bailian Group Co Ltd	0.4	0.4
Yonghui Superstores Group	0.3	0.3
Top 10 Aggregated	14.2	16.6

Source: Euromonitor

- (1) All 2015 numbers are the historical actual performance data and 2016 numbers are estimated based on the first half year actual performance of 2016.
- (2) The definition of Retailing from Euromonitor is retail sales of new and used goods to the general public for personal or household consumption. Excludes specialist retailers of motor vehicles, motorcycles, vehicle parts, fuel. Also excludes foodservice, rental and hire and wholesale industries (Cash and Carry).
- (3) For Alibaba Group, Euromonitor data just including T-mall. For “JD.com Inc.” 2016 data including “YHD.com”. Walmart including “Wal-Mart (China) Investment Co Ltd” and “Trust-Mart Co. Ltd.”. Bailian Group including “Lianhua Supermarket Holdings Co. Ltd.”, “Hualian GMS Shopping Center Co. Ltd.”, “Shanghai Bailian Group Co. Ltd.”, “Hualian Supermarket Co. Ltd.”, “Shanghai Friendship Group Inc. Co.” and “Shanghai Sanlian Group”.

SUN ART

Retail Group Limited

高鑫零售有限公司

01 Operating Environment

02 Financial Review

03 Business Review



Financial Highlights

(RMB in million)	2017Q1	2016Q1	Change
Revenue	31,617	31,012	+2.0%
Gross Profit	6,836	6,702	+2.0%
Gross Profit Margin	21.6%	21.6%	+0.0ppt
EBIT	1,593	1,541	+3.4%
EBIT Margin	5.0%	5.0%	+0.0ppt
Profit for the year	1,113	1,068	+4.2%
Net profit margin	3.5%	3.4%	+0.1ppt
Profit attributable to equity shareholders	1,041	1,026	+1.5%
Earnings per share -Basic and diluted (RMB) ⁽¹⁾	0.11	0.11	

(1) The calculation of basic and diluted EPS for the years ended 31 March 2017 and 2016 is based on the weighted average number of 9,539,704,700 ordinary shares in issue during the year.

SUN ART

Retail Group Limited

高鑫零售有限公司

01 Operating Environment

02 Financial Review

03 Business Review



Business Review – Mortar Stores

Hypermarket Complexes

Supermarkets

Auchan 欧尚

大润发
RT-Mart



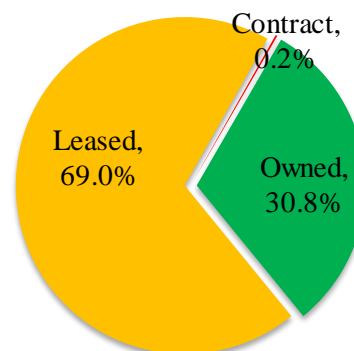
RH lavia

- A total of **446** hypermarkets and supermarkets across China as at 31 March 2017, covering **224** cities cross **29** Provinces, autonomous regions and municipalities.
- Secured 79 sites to open hypermarket complexes in next 3 years, of which 73 were under construction.

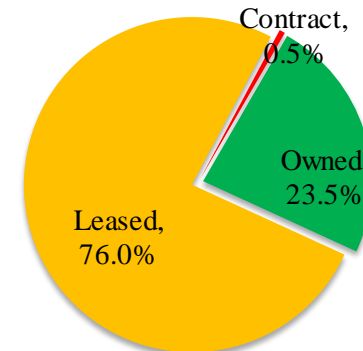


Region	No. of stores (31 March 2017)			GFA (sqm) (31 March 2017)		
			Total			Total
Eastern China	50	131	181	2,047,222	3,183,796	5,231,018
Northern China	6	42	48	177,594	1,045,298	1,222,892
N-Eastern China	2	44	46	55,939	1,235,587	1,291,526
Southern China	5	75	80	124,523	1,837,678	1,962,201
Central China	10	61	71	293,766	1,532,458	1,826,224
Western China	5	15	20	223,839	352,678	576,517
Total	78	368	446	2,922,883	9,187,495	12,110,378

GFA breakdown



Store no. breakdown



Thank You!

