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# **SUN ART**

**Retail Group Limited**

## **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) (“**SFO**”).

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 six months ended 30 September 2024, it is expected that the Group will record a net profit after tax of approximately RMB150 million to RMB200 million (unaudited) (calculated in accordance with Hong Kong Financial Reporting Standards) for the six months ended 30 September 2024, as compared to the Group’s net loss after tax of RMB378 million for the six months ended 30 September 2023 (the “**Profit Alert**”). The expected net profit is primarily attributable to (i) the stabilisation of same-store customer traffic and positive growth in same-store sales growth; and (ii) the rapid advancement of cost reduction and efficiency enhancement initiatives, yielding significant results.

The Group will continue to develop its core advantage of price competitiveness, fortify essential products, redefine its pricing perception, and rapidly advance the ‘Thumb-Up Super Saver’ series of flagship products and optimizing product offerings across various price ranges to ensure customer satisfaction.

Reference is made to the announcement of the Company dated 15 October 2024 (the “**3.7 Announcement**”). Following the publication of the Rule 3.7 Announcement, the Company is required to comply with the relevant requirements under the Takeovers Code. Pursuant to Rule 10 of the Takeovers Code, the Profit Alert constitutes a profit forecast and should be reported on by the Company’s financial adviser and auditors or reporting accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosure of inside information under Rule 13.09 of the Listing Rules and Part XIVA of the SFO, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (timewise or otherwise) in meeting the reporting requirements set out in Rule 10 of the Takeovers Code.

Pursuant to Rule 10.4 of the Takeovers Code and Practice Note 2 of the Takeovers Code, the reports from the Company's financial adviser and auditors on the Profit Alert are required to be included in the next document to be sent to the Shareholders (the "**Shareholders' Document**"). It is expected that the 2024 interim results announcement will be published prior to the despatch of the next Shareholders' Document and the relevant results together with notes to the financial statements will be incorporated by reference in the next Shareholders' Document. If this is the case, the requirement under Rule 10 of the Takeovers Code to report on the Profit Alert will no longer apply. Otherwise, the Profit Alert shall be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the next Shareholders' Document.

**Shareholders and potential investors of the Company should note that the Profit Alert has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution when placing reliance on the Profit Alert in assessing the merits and demerits of the possible offer disclosed in the 3.7 Announcement, and when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

**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 six months ended 30 September 2024, 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 six months ended 30 September 2024. Shareholders and potential investors are advised to refer to the details in the announcement of the Company for the interim results for the six months ended 30 September 2024, which will be published within the time frame stipulated under the Listing Rules.**

**Shareholders and potential investors are advised to exercise caution in dealing in securities in the Company.**

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

Hong Kong, 15 October 2024

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

*Executive Director:*  
SHEN Hui (*Chief Executive Officer*)

*Non-executive Directors:*

HUANG Ming-Tuan (*Chairman*)

HAN Liu

QIN Yue Hong

*Independent Non-executive Directors:*

Karen Yifen CHANG

Charles Sheung Wai CHAN

Dieter YIH

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.