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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: 6808)**

### **BUSINESS UPDATE**

This announcement is made by Sun Art Retail Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors (the “**Board**”) of the Company hereby informs the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group has recently been notified by relevant authorities that they are conducting an investigation into an independent supplier (the “**Supplier**”). The Supplier was subject to such investigation (the “**Investigation**”) due to certain acts involving value-added tax (VAT) invoices (the “**VAT Invoices**”) which were issued by the Supplier to certain subsidiaries of the Company. To the best knowledge of the directors of the Company (the “**Directors**”), the Group is not the subject of the Investigation.

After being notified of the Investigation, the Group has sought advice from its legal and tax advisors and conducted a tax compliance self-check on all of the Group’s transactions with the Supplier to assess whether and to what extent the Group will be affected by the Investigation.

As certain subsidiaries of the Company are the recipients of the VAT Invoices, the Group may be affected by the nullification of such VAT Invoices in the event of any negative outcome of the Investigation against the Supplier, which may in turn result in obligations on the part of the Group to make additional tax payment and surcharge of overdue tax payment. Therefore, for prudence purpose and based on preliminary assessment, the Company expects to record approximately RMB58 million as provision for tax expenses in its consolidated financial statements for the year ending 31 March 2025 (“**Preliminary Assessment**”).

Shareholders and potential investors should note that the Preliminary Assessment is estimated based on the internal assessment by the Group and the Group has not formally consulted with the relevant tax authorities on such matter. There is no assurance that the final tax payment to be made by the Group will be the same or similar as estimated in the Preliminary Assessment.

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

Hong Kong, 27 February 2025

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

*Executive Director:*

SHEN Hui (Chief Executive Officer)

*Non-Executive Directors:*

HUANG Ming-Tuan (Chairman)

HAN Liu

QIN Yuehong

*Independent Non-Executive Directors:*

Karen Yifen CHANG

Charles Sheung Wai CHAN

YIH Lai Tak, Dieter

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, 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.*