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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)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCT

SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCT

The Board announced that, on 26 October 2026, in order to make efficient use of idle funds, the Company subscribed, through its indirectly wholly-owned subsidiary, CIC, for structured deposit product issued by ICBC in a principal amount of RMB500,000,000 pursuant to the Subscription.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a disclosable transaction of the Company, and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

BACKGROUND

The Board announced that, on 26 October 2026, in order to make efficient use of idle funds, the Company subscribed, through its indirectly wholly-owned subsidiary, CIC, for a principal-guaranteed structured deposit product issued by ICBC, for a principal amount of RMB500,000,000 pursuant to the Subscription.

STRUCTURED DEPOSIT PRODUCT SUBSCRIPTION

The principal terms of the Subscription are set out as follows:

- (1) Date of subscription : 26 October 2026
- (2) Parties : (i) CIC (as Subscriber); and
(ii) ICBC (as Issuer)
- (3) Name of the product : ICBC Interval Accumulative RMB Structured Deposit Product for Corporate Customers – Designated Account Series, Issue 542 of 2026, Tranche A (中國工商銀行區間累計型法人人民幣結構性存款產品－專戶型 2026 年第542期A款)
- (4) Product code : 26ZH542A
- (5) Type of product : Principal guaranteed with variable return
- (6) Linked exchange rate : The return of the deposit will be linked to the central parity rate of AUD/USD to be displayed on the “BFIX (Bloomberg FX Fixings)” page of the website of Bloomberg at 3:00 p.m. (Tokyo time) each day during the observation period.
- (7) Term of product : 184 days (from 28 October 2026 to 30 April 2027 (both days inclusive))
- (8) Principal amount : Principal amount of RMB500,000,000

The principal amount of the Subscription was determined with reference to the Group’s treasury management policy, the then available idle funds of the Group, the expected terms of the structured deposit product, prevailing market interest rates and the minimum subscription requirements of ICBC.

- (9) Expected return : The expected annualized rate of return consists of the sum of:
 - (i) a fixed rate of 1.00%; and
 - (ii) a floating rate of 0.75% to be multiplied by N/M

with N being the actual number of days when the linked target is within the scope of the target range during the observation period, and M being the actual number of days of the observation period.

The minimum expected annualized rate of return is 1.00% and the maximum expected annualized rate of return is 1.75%. The estimated return does not represent the actual return, which will be determined by reference to the actual rate of return upon maturity.

The linked target is the central parity rate of AUD/USD to be displayed on the “BFIX (Bloomberg FX Fixings)” page of the website of Bloomberg at 3:00 p.m. (Tokyo time) each day during the observation period. If there is no relevant data displayed on the “BFIX (Bloomberg FX Fixings)” page of the website of Bloomberg on a certain day, the linked target for that day will be the latest available central parity rate of AUD/USD displayed on the “BFIX (Bloomberg FX Fixings)” page of the website of Bloomberg at 3:00 p.m. (Tokyo time) before that day.

The observation period is from 28 October 2026 to 28 April 2027 (both days inclusive), comprising a total of 183 observation days. The target range is from the initial price of the linked target minus 305 basis points to the initial price of the linked target plus 305 basis points (boundaries of target exclusive). The initial price of the linked target is the central parity rate of AUD/USD to be displayed on the “BFIX (Bloomberg FX Fixings)” page of the website of Bloomberg at 3:00 p.m. (Tokyo time) on 28 October 2026.

- (10) Risk rating : Low risk
- (11) Calculation method of the expected return : $\text{Expected return} = \text{principal amount} \times \text{expected annualized rate of return} \times \text{actual number of days of the product}/365$.
- (12) Right of early redemption or termination : CIC has no right of early termination of the structured deposit product prior to its maturity date. ICBC is not entitled to unilaterally terminate the structured deposit product prior to its maturity date.

INFORMATION OF THE GROUP AND CIC

The Company is incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6808). It is principally engaged in the operation of brick-and-mortar stores and online sales channels in the PRC through its subsidiaries.

CIC is an indirectly wholly-owned subsidiary of the Company and was incorporated in the PRC with limited liability and is principally engaged in investment holding and acting as a procurement centre of the Group.

INFORMATION OF ICBC

ICBC is a joint stock commercial bank established under the laws of the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601398) and on the Stock Exchange (stock code: 1398). ICBC is principally engaged in the provision of corporate and personal banking and other financial services in the PRC.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, ICBC and its ultimate beneficial owners are Independent Third Parties of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF THE STRUCTURED DEPOSIT PRODUCT

The Company has considered the risk profile, expected return and duration of the structured deposit product while making its decision on the Subscription. The Company considers that the reasonable and efficient use of temporary idle funds will enhance the utilisation of capital of the Company and is expected to provide the Group with a better return than ordinary demand deposits or time deposits generally offered by commercial banks in the PRC. The Company has also considered the daily operational funding needs and believes that the Subscription will not have an adverse impact on the Group's working capital or normal business operations. The funds required for the Subscription will be satisfied by the Group using its internal resources.

Having considered the above, and that ICBC is one of the most reputable banks in the PRC with abundant investment management experience, the Directors (including the independent non-executive Directors) consider that the terms of the Subscription together with the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better, and are in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a disclosable transaction of the Company, and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“AUD”	Australian dollars, the lawful currency of Australia
“Bloomberg”	Bloomberg Finance L.P. and its affiliates
“Board”	the board of Directors of the Company
“CIC”	Concord Investment (China) Co., Ltd (康成投資(中國)有限公司), an indirectly wholly-owned subsidiary of the Company
“Company”	Sun Art Retail Group Limited (高鑫零售有限公司)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China

“ICBC”	Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司)
“Independent Third Parties”	third party(ies) independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	Registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for ICBC Interval Accumulative RMB Structured Deposit Product for Corporate Customers – Designated Account Series, Issue 542 of 2026, Tranche A (中國工商銀行區間累計型法人人民幣結構性存款產品－專戶型 2026 年第542期A款) issued by ICBC for a principal amount of RMB500,000,000
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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, 26 October 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