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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)

INSIDE INFORMATION ADOPTION OF NEW DIVIDEND POLICY

This announcement is made by Sun Art Retail Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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**”) is pleased to announce that the Board has approved and adopted a dividend policy (the “**Dividend Policy**”) with effect from 10 May 2021.

The Company is committed to focusing on investing in its expansion, including the layout of multiple formats of offline physical stores, incubating new business models and implementing the remodeling initiative to promote the digital transformation of New Retail. The Board wishes to emphasize that in the meantime, the Company will increase its investment in user growth and user experience, continue to adhere to the remodeling initiative with the goal of forming an important customer experience center and online fulfillment center, and actively explore cooperation and investment opportunities in the market, and believes that the investment in these opportunities and expansion is for better and faster growth of the Company in the future with better goods and shopping experience.

THE DIVIDEND POLICY

According to the Dividend Policy, while the Company intends to declare and pay dividends in the future, the payment and the amount of any dividend will depend on a number of factors, including but not limited to:

- (i) the Group’s actual and expected financial performance;
- (ii) the Group’s expected working capital requirements, capital expenditure requirements and future expansion plans;
- (iii) profits available for distribution, retained earnings and distributable reserves of the Company and each of the members of the Group;

- (iv) the Group's liquidity position;
- (v) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- (vi) any other factors that the Board deems appropriate and relevant.

The payment of dividend is subject to compliance with applicable laws and regulations including the laws of Hong Kong and the Company's articles of association. In addition, the declaration and payment of dividends may be limited by legal restrictions or financial instruments that we may enter into in the future.

The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

The Dividend Policy will continue to be reviewed by the Board from time to time and there can be no assurance that dividends will be proposed or declared in any particular amount for any given period.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Sun Art Retail Group Limited
LIN Xiaohai
Executive Director and Chief Executive Officer

Hong Kong, 10 May 2021

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

Executive Director:
LIN Xiaohai (*Chief Executive Officer*)

Non-executive Directors:
HUANG Ming-Tuan (*Chairman*)
LI Yonghe
XU Hong

Independent Non-executive Directors:
Karen Yifen CHANG
Dieter YIH
Charles Sheung Wai CHAN