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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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06 of the Listing Rules.

On 18 August 2023, the Board of Directors of the Company is pleased to announce that the Company granted a total of 60,000,000 Options to three Grantees in accordance with the terms of the Share Option Scheme, subject to acceptance. The details of the Options granted to the Grantees are as follows:

Date of Grant:	18 August 2023
Number of Options granted:	A total of 60,000,000 Each Option granted to the Grantees represents a new Share to be issued as and when the Grantees have exercised their Options.
Closing price of the Shares on the Date of Grant:	HK\$2.00 per Share
Exercise price of the Options granted:	HK\$2.18, being the higher of (i) the closing price of the Shares of HK\$2.00 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date of Grant; and (ii) the average closing price of the Shares of HK\$2.18 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant.
Validity, exercise period of the Options:	The Options are valid for 10 years from the Date of Grant unless lapsed pursuant to the terms of the Share Option Scheme and may be exercisable during such period provided that the Options are vested.
Vesting period of the Options:	The Options granted shall vest in two equal tranches on 1 April 2025 and 1 April 2027, respectively.

Performance Targets: The Options granted are not subject to performance targets.

Having considered that (i) the grant of Options to the Grantees would provide them with the opportunity to acquire equity interests in the Company as recognition of their contribution to the success and development of the Group; and (ii) the Options vest over a certain time period on a yearly basis which motivates them to remain with, and to strive for the future development and expansion of the Group and therefore aligns with the purpose of the Share Option Scheme, the Remuneration Committee is of the view that performance targets are not necessary for the Options granted to the Grantees.

Clawback Mechanism: There is no clawback mechanism attached to the Options. The Remuneration Committee is of the view that a clawback mechanism is not necessary considering the lapse and cancellation of the Options under various scenarios have already been provided for under the Share Option Scheme, which could sufficiently safeguard the Company's interests.

Financial assistance: The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares upon the exercise of the Options under the Share Option Scheme.

Details of the Grantees

Among 60,000,000 Options granted to the Grantees, 40,000,000 Options were granted to a Director of the Company, 20,000,000 Options were granted to two directors of the subsidiaries of the Company, the details of which are as follows:

Name	Position	Number of Options granted
LIN Xiaohai	executive Director and chief executive officer of the Company	40,000,000
Two directors of the subsidiaries of the Company		20,000,000

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of Options to the above Director has been approved by the independent non-executive Directors. Mr LIN Xiaohai had abstained from voting on the resolution relating to the Options granted to himself and had not been counted towards the quorum of the Board meeting in respect of such resolution.

REASONS FOR AND BENEFITS OF THE GRANTS

The purposes of this grant are (i) to recognise the contribution and potential future contribution of the Grantees and to align their interests with those of the Company and the Shareholders as a whole; (ii) to motivate the Grantees and give them additional incentive to optimise their valuable contributions to the continued growth and success of the Group; and (iii) to attract and retain high-calibre personnel to strive for the long term development of the Group.

LISTING RULES IMPLICATIONS

Save as disclosed above and to the best of the knowledge of the Directors having made all reasonable enquiries, as at the Date of Grant, (i) none of the Grantees is a Director, chief executive or substantial shareholder of the Company or an associate (as defined under the Listing Rules) of any of them; (ii) none of the Grantees is a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D(1) of the Listing Rules; (iii) none of the Grantees is a related entity participant or a service provider (as defined under the Listing Rules); and (iv) no financial assistance has been provided by the Group to the Grantees to facilitate the purchase of Shares under the Share Scheme. The above grant of Options would not result in the Options granted and to be granted to a Grantee in the 12-month period up to and including the Date of Grant in aggregate exceed 1% of the Shares in issue.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

Upon the aforesaid grant of the Options, 893,970,470 Shares underlying the Options are available for future grant under the scheme mandate limit of the Share Option Scheme.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	Sun Art Retail Group Limited (高鑫零售有限公司), a company incorporated under the laws of Hong Kong on 13 December 2000 with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Date of Grant”	18 August 2023
“Director(s)”	director(s) of the Company
“Grantees”	three eligible participants who were granted Options in accordance with the Share Option Scheme on the Date of Grant
“Group”	the Company and its subsidiaries
“HK\$”	the Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Options”	option(s) to subscribe for or acquire Shares which is/are granted in accordance with the Share Option Scheme, which entitles the Grantees to subscribe for one Share for each option
“Remuneration Committee”	the remuneration committee of the Company

“Share Option Scheme”	the share option scheme adopted by the Company at an extraordinary general meeting on 16 August 2023, the principal terms of which were set out on pages 9 to 19 of the Company’s circular dated 1 August 2023
“Shares”	ordinary shares of the Company in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the same meaning ascribed to it under the Listing Rules

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

Hong Kong, 18 August 2023

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

Executive Director:

LIN Xiaohai (*Chief Executive Officer*)

Non-Executive Directors:

HUANG Ming-Tuan (*Chairman*)

HAN Liu

LIU Peng

Independent Non-Executive Directors:

Karen Yifen CHANG

Charles Sheung Wai CHAN

Dieter YIH