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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 17.06A of the Listing Rules.

The Board is pleased to announce that the Company granted a total of 25,000,000 Options to one Grantee in accordance with the terms of the Share Option Scheme, subject to acceptance, on 27 March 2024. The details of the Options granted to the Grantees are as follows:

Date of Grant:	27 March 2024
Number of Options granted	A total of 25,000,000 Each Option granted to the Grantee represents a new Share to be issued as and when the Grantee has exercised his Options.
Closing price of the Shares on the Date of Grant:	HK\$1.54 per Share
Exercise price of the Options granted:	HK\$1.54, being the higher of (i) the closing price of the Shares of HK\$1.54 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\$1.41 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 as follows:

25% on 28 March 2025;
25% on 28 March 2026;
25% on 28 March 2027; and
25% on 28 March 2028

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

Having considered that (i) the grant of Options to the Grantee would provide him with the opportunity to acquire equity interests in the Company as motivation and incentive for his contribution to the success and development of the Group; and (ii) the Options vest over a certain time period on a yearly basis which motivate him 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 Grantee.

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 Grantee to facilitate the purchase of Shares upon the exercise of the Options under the Share Option Scheme.

Details of the Grantee

All Options were granted to a Director, the details of whom are as follows:

Name	Position	Number of Options granted
SHEN Hui	Executive Director and chief executive officer of the Company	25,000,000

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.

REASONS FOR AND BENEFITS OF THE GRANT

The purposes of this grant to the Grantee are (i) to recognise his potential future contribution to the Group and to align his interests with those of the Company and the Shareholders as a whole; (ii) to motivate the Grantee and give him additional incentive to optimise his 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

To the best of the knowledge of the Directors having made all reasonable enquiries, as at the Date of Grant, the Grantee is not a participant with options and awards granted or to be granted exceeding the 1% individual limit under Rule 17.03D(1) of the Listing Rules. 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, 908,970,470 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”	27 March 2024
“Director(s)”	director(s) of the Company
“Grantee”	one eligible participant who was 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 Grantee 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 Limited
HUANG Ming-Tuan
Chairman of the Board

Hong Kong, 27 March 2024

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

LIU Peng

Independent Non-Executive Directors:

Karen Yifen CHANG

Charles Sheung Wai CHAN

Dieter YIH