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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)

(1) ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE, RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SFO IN RELATION TO A POSSIBLE TRANSACTION; AND (2) RESUMPTION OF TRADING

This announcement is made by Sun Art Retail Group Limited 高鑫零售有限公司 (the "**Company**") pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the "**Takeover Code**"), Rule 13.09 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

POSSIBLE VOLUNTARY CONDITIONAL OFFER

On 27 September 2024, the board of directors of the Company (the "**Board**") received an approach letter from a potential offeror (the "**Potential Offeror**") who expressed an intention to make a pre-conditional voluntary conditional offer (the "**Possible Offer**") for all the issued shares of, and an option offer to cancel all outstanding share options issued by, the Company, subject to various matters. As at the date of this announcement, Alibaba Group Holding Limited ("**Alibaba Group**"), through its wholly-owned subsidiaries, A-RT Retail Holdings Limited and Taobao China Holding Limited, indirectly holds approximately 73.66% of the issued share capital of the Company, and New Retail Strategic Opportunities Investments 1 Limited, an investment vehicle wholly owned by an investment fund in respect of which Alibaba Group is able to exercise significant influence over its investment decisions, holds approximately 5.04% of the issued share capital of the Company. As advised by Alibaba Group, (i) discussions between A-RT Retail Holdings Limited,

Taobao China Holding Limited and New Retail Strategic Opportunities Investments 1 Limited and the Potential Offeror as to the key terms of the Possible Offer for the purpose of any irrevocable undertaking are ongoing, (ii) Alibaba Group is also in discussions with several other parties, and (iii) the discussions may or may not lead to any agreement or transaction. To the knowledge of the Company, the Potential Offeror is not connected with the Company or any connected person (as defined in the Listing Rules) of the Company.

RELEVANT SECURITIES OF THE COMPANY

As at the date of this announcement, the relevant securities of the Company comprise (i) 9,539,704,700 ordinary shares of the Company (“**Shares**”) in issue and (ii) (as at 14 October 2024 which is the latest practicable date for ascertaining such information) 45,000,000 outstanding options to subscribe for up to 45,000,000 Shares, of which 20,000,000 share options have an exercise price of HK\$2.18, and 25,000,000 share options have an exercise price of HK\$1.54. Save for the aforesaid, the Company has no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares and has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

DISCLOSURE OF DEALINGS

As required under Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code) (including, among others, any person who owns or controls 5% or more of a class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Potential Offeror are reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that

stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation."

"Executive" referred to above has the meaning ascribed to it under the Takeovers Code.

MONTHLY UPDATE

For the purposes of the Takeovers Code, the offer period commenced on the date of this announcement.

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Offer will be made until announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange had been halted with effect from 9:39 a.m. on 27 September 2024. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares from 9:00 a.m. on 16 October 2024 following the publication of this announcement.

Shareholders and potential investors of the Company should be aware that there is no assurance that any offer for the Shares will be implemented, and if implemented, it may or may not be subject to the satisfaction of a number of pre-conditions and conditions. 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
SHEN Hui

Executive Director and Chief Executive Officer

Hong Kong, 15 October 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

QIN Yuehong

Independent Non-Executive Directors:

Karen Yifen CHANG

Charles Sheung Wai CHAN

Dieter YIH

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