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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)

PROPOSED AMENDMENTS TO EMPLOYEE TRUST BENEFIT SCHEMES

INTRODUCTION

Reference is made to the circular of the Company dated 23 October 2024 in relation to the previous amendments to the Employee Trust Benefit Schemes established by the subsidiaries of the Company for the employees of the ACI Group and the CIC Group. Details of the Auchan Scheme and the RT-Mart Scheme were set out in the circular of the Company dated 23 October 2024.

The purposes of the Auchan Scheme and the RT-Mart Scheme are (i) to align the interests of the Eligible Participants with those of the Group and share the success and benefits of the growth in the businesses of the ACI Group and the CIC Group through ownership of the ACI Registered Capital and the CIC Registered Capital represented by holding the Trust Units, and/or the increase in value of the Trust Units/ACI Registered Capital or CIC Registered Capital (as the case may be); (ii) to encourage and retain Eligible Participants to make contribution to the long-term growth and profits of the Group; (iii) to recognise and reward the valuable past contribution by the Eligible Participants; and (iv) to retain experienced personnel.

PROPOSED AMENDMENTS TO THE AUCHAN SCHEME AND THE RT-MART SCHEME

In light of the Group's strategic transformation, the Board has resolved not to grant further Trust Units in the Auchan Scheme and the RT-Mart Scheme, in order to align with the Company's strategic shift towards other more flexible, timely and effective incentive mechanisms, thereby supporting the rapid implementation of the Group's business strategy objectives.

According to the existing scheme rules of the Employee Trust Benefit Schemes, the schemes may cease to grant further Trust Units if approved by the schemes' respective management committees. The respective management committees have approved not to grant further Trust Units of the Employee Trust Benefit Schemes in accordance with the existing scheme rules.

As at the date of this announcement, each of the Auchan Scheme and RT-Mart Scheme has 2,117,169.61 Trust Units and 2,667,669.6 Trust Units which are currently being held by the Selected Participants, of which 2,071,575.71 Trust Units and 2,007,950.33 Trust Units remain under the Restricted Period under the respective schemes.

Following the resolution of not granting further Trust Units under the Employee Trust Benefit Schemes, the Board proposes to amend the Auchan Scheme and the RT-Mart Scheme to regulate the arrangements for the redemption of the Trust Units, and also to further optimize the scheme rules for the remaining term of the Auchan Scheme and the RT-Mart Scheme.

The key changes entailed by the Proposed Amendments to the Auchan Scheme and the RT-Mart Scheme include the following:

(a) After the management committee of the Employee Trust Benefit Schemes has resolved not to grant further Trust Units under the Employee Trust Benefit Schemes, Eligible Participants and Selected Participants shall not purchase, acquire, or obtain Trust Units by any means, including with the Employee's Contribution, the Employer's Contribution or the Retirement Saving Contribution, save for the transfer of Trust Units to the Settlor in accordance with the subsequent arrangements set out below.

(b) Following the resolution for not granting further Trust Units under the Employee Trust Benefit Schemes, there will be no further grant or acquisition of Trust Units in favour of the Selected Participants. Selected Participants shall transfer their acquired Trust Units to the Settlor at the transaction price on the Trust Unit Transaction Date immediately preceding the resolution not to grant further Trust Units under the Employee Trust Benefit Schemes (the "**Resolution**") in accordance with the timetable to be determined by the respective management committees ("**Transfer Timetable**"). The Transfer Timetable shall be determined by the respective management committees in accordance with the following principles, namely:

    (i) Trust Units purchased by Selected Participants with the Employee's Contribution shall be transferred to the Settlor on the first Trust Unit Transaction Date after the Resolution;

    (ii) Trust Units acquired by Selected Participants with the Employer's Contribution shall be gradually transferred to the Settlor in instalments within five years after the Resolution, provided that none of the Trust Units shall be transferred to the Settlor within 12 months after the Selected Participants' acquisition of such relevant Trust Units; and

    (iii) Trust Units acquired with the Retirement Saving Contribution that are subject to the Lock-up Period shall be gradually transferred to the Settlor in instalments within five years after the Resolution. However, if the Trust Units are no longer subject to the Lock-up Period either due to the expiry of the Lock-up Period or the retirement of the relevant Selected Participant during the abovementioned five-year period (the "**Cessation of Lock-up Period**"), then notwithstanding the above, the relevant Trust Units shall be transferred to the Settlor on the first Trust Unit Transaction Date after the Cessation of Lock-up Period. None of the above arrangements shall allow any Trust Units to be transferred to the Settlor within 12 months of the Selected Participants' acquisition of such relevant Trust Units.

(c) If a Selected Participant commits any criminal act or serious disciplinary violation during employment, the Settlor shall buy back the Trust Units held by such Selected Participant. Any Trust Units acquired through the Employer's Contribution or Retirement Saving Contribution shall be bought back at nil consideration. If the criminal act or serious disciplinary violation is discovered after the termination of the Selected Participant's employment, such former Selected Participant shall compensate for the difference in transfer prices. The Settlor has the right to take legal action to recover such difference.

(d) ACI and CIC, as the case may be, and their respective management committees do not need to give one year's advance notice to alter and amend the terms and conditions of the Auchan Scheme and the RT-Mart Scheme.

Details of the Proposed Amendments will be further set out in the circular to be dispatched to the Shareholders. Save for the Proposed Amendments, the other terms of the Auchan Scheme and the RT-Mart Scheme shall remain unchanged.

The Board is pleased to announce that it has approved the adoption of the Proposed Amendments to be made to the Auchan Scheme and the RT-Mart Scheme for the abovementioned purposes. The Proposed Amendments to the Auchan Scheme and the RT-Mart Scheme will be subject to, among others, approval of the Shareholders at the EGM.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 17.13 of the Listing Rules, Rules 17.02 to 17.04 and Rules 17.06 to 17.09, with appropriate modifications, apply to share schemes of a Principal Subsidiary of a listed issuer as if they were share schemes of the issuer as described in Rule 17.01(1). As at the date of this announcement, CIC is a Principal Subsidiary of the Company. As such, for so long CIC remains a Principal Subsidiary of the Company, Rule 17.13 applies and the applicable rules under Chapter 17 of the Listing Rules shall apply to the RT-Mart Scheme.

While, as at the date of this announcement, ACI is not a Principal Subsidiary of the Company and Rule 17.13 does not apply, the Company intends to follow the applicable requirements of Chapter 17 of the Listing Rules as if the Auchan Scheme is a share scheme of a Principal Subsidiary of the Company.

The Proposed Amendments constitute alterations to the terms and conditions of a share scheme which are of a material nature and therefore shall be approved by Shareholders of the Company in general meeting.

The Proposed Amendments are conditional upon the passing of the necessary resolution(s) by the Shareholders at the EGM and shall take effect on the date of its adoption at the EGM.

EGM

An EGM will be convened and held in due course to consider and, if thought fit, approve the Proposed Amendments to the Auchan Scheme and the RT-Mart Scheme. A circular of the Company containing, among others, (i) details of the Proposed Amendments of the Auchan Scheme and the RT-Mart Scheme; and (ii) a notice convening the EGM is expected to be dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

As of the date of this announcement, the Proposed Amendments to the Auchan Scheme and the RT-Mart Scheme, remain subject to the approval of the Shareholders. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

"ACI"	Auchan (China) Investment Co., Ltd., (歐尚(中國)投資有限公司), a limited liability company incorporated in the PRC on 10 April 2002
"ACI Registered Capital"	the entire registered capital of ACI from time to time
"ACI Group"	ACI and its subsidiaries
"Auchan Scheme"	the employee trust benefit scheme established for the employees of the ACI Group and proposed to be amended at the EGM
"Board"	the board of Directors
"Cessation of Lock-up Period"	shall bear the meaning as ascribed to it in the paragraph headed "Proposed Amendments to the Auchan Scheme and the RT-Mart Scheme"
"CIC"	Concord Investment (China) Limited (康成投資(中國)有限公司), a limited liability company incorporated in the PRC on 23 March 2005
"CIC Registered Capital"	the entire registered capital of CIC from time to time
"CIC Group"	CIC and its subsidiaries
"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
"Director(s)"	directors of the Company or any one of them
"EGM"	an extraordinary general meeting of the Company to be held and convened for the purpose of, considering and, if thought fit, approving the Proposed Amendments to the Auchan Scheme and the RT-Mart Scheme
"Eligible Participant(s)"	participants eligible to participate in the Auchan Scheme and the RT-Mart Scheme and purchase Trust Unit(s), who are employees of the ACI Group and the CIC Group from time to time
"Employee Trust Benefit Schemes"	the employee trust benefit schemes for the benefit of the employees of the ACI Group and the CIC Group, which consist of the Auchan Scheme and the RT-Mart Scheme and proposed to be further amended at the EGM
"Employee's Contribution"	Selected Participants' voluntary cash contribution to the trust

"Employer's Contribution"	Cash payment made by the ACI Group and the CIC Group on behalf of Selected Participants for their relevant employer's contribution to the trust
"Freeze Period"	a General Employee and a Managerial Employee is restricted for a period of five (5) years from the date of grant to dispose of his or her Trust Units acquired through the Employer's Contribution
"General Employee(s)"	Selected Participants who are not Managerial Employees
"Group"	the Company and its subsidiaries
"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, as amended from time to time
"Lock-up Period"	a Managerial Employee is restricted for a period of twenty-five (25) years from the date of employment to dispose of his or her Trust Units acquired through the Retirement Saving Contribution
"Managerial Employee(s)"	Selected Participants who hold the rank of store manager or above
"PRC"	the People's Republic of China excluding, for the purposes of this announcement only, Hong Kong, Macao and Taiwan
"Principal Subsidiary"	shall bear the meaning as defined in the Listing Rules
"Proposed Amendments"	the proposed amendments to the Auchan Scheme and the RT-Mart Scheme in relation to, amongst others, the arrangements following the Resolution and the arrangements regarding criminal act or serious disciplinary violation of Selected Participants which will be further set out in the circular to be dispatched to the Shareholders
"Transfer Timetable"	shall bear the meaning as ascribed to it in the paragraph headed "Proposed Amendments to the Auchan Scheme and the RT-Mart Scheme"
"Resolution"	shall bear the meaning as ascribed to it in the paragraph headed "Proposed Amendments to the Auchan Scheme and the RT-Mart Scheme"
"Restricted Period"	Lock-up Period and Freeze Period
"Retirement Saving Contribution"	Cash payment made by the ACI Group and the CIC Group to the trust on behalf of Managerial Employees as retirement benefits
"RT-Mart Scheme"	the employee trust benefit scheme established for the employees of CIC Group and proposed to be amended at the EGM

"Selected Participant(s)"	Eligible Participant(s) who has opted to participate in the Auchan Scheme or the RT-Mart Scheme and purchased Trust Unit(s) in accordance with the provisions set out in the Auchan Scheme and the RT-Mart Scheme
"Settlor"	For the purposes of the Auchan Scheme and the RT-Mart Scheme, the respective settlor of the schemes are, Shanghai Auchan Information Technology Development Co., Ltd.* (上海歐尚信息技術研發有限公司) for the Auchan Scheme, and Shanghai Luoshi Consulting Co., Ltd. * (上海羅仕諮詢有限公司) for the RT-Mart Scheme
"Share(s)"	ordinary shares of the Company in issue
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Trust Units"	units of beneficial rights in the trust assets (including the cash portion and share portion) held by the Trustee in the Auchan Scheme or the RT-Mart Scheme (as the case may be)
"Trust Unit Transaction Date"	the date which transfer and/or subscription of Trust Unit shall take place when the annual transaction window is opened and after all the purchase elections have been matched against all disposal elections among all the Selected Participants of the respective schemes
"Trustee"	Hwabao Trust Co., Ltd., the trustee appointed by the Board to hold Trust Units for the administration of the Auchan Scheme and the RT-Mart Scheme or any additional or replacement trustee(s)

* *For identification purposes only*

By Order of the Board
Sun Art Retail Group Limited
SHEN Hui
Executive Director and Chief Executive Officer

Hong Kong, 29 September 2025

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

Executive Director:
SHEN Hui *(Chief Executive Officer)*

Non-Executive Directors:
Julian Juul WOLHARDT *(Chairman)*
Guannan WANG
Mengxue MEI

Independent Non-Executive Directors:
Karen Yifen CHANG
Charles Sheung Wai CHAN
YIH Lai Tak, Dieter