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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)

GRANT OF SHARE OPTIONS AND CANCELLATION OF SHARE OPTIONS

This announcement is made pursuant to Rules 17.06A, 17.06B and 17.06C of the Listing Rules.

GRANT OF SHARE OPTIONS

The Board is pleased to announce that the Company granted a total of 166,462,428 Options to 95 Grantees in accordance with the terms of the Share Option Scheme, subject to acceptance, on 13 July 2026. The details of the Options granted to the Grantees are as follows:

Date of Grant:	13 July 2026
Number of Options granted:	A total of 166,462,428
	Each Option granted to the Grantee represents a new Share to be issued as and when the Grantee has exercised his/her Options.
Closing price of the Shares on the Date of Grant:	HK\$1.08 per Share
Exercise price of the Options granted:	HK\$1.24, being higher than: (i) the closing price of the Shares of HK\$1.08 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\$1.05 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:	(i) The 57,227,182 Options granted to Group A of the Grantees shall vest as follows: 10% on 13 July 2031; 10% on 13 July 2032; 20% on 13 July 2033; 20% on 13 July 2034; and 40% on 13 July 2035. (ii) The 109,235,246 Options granted to Group B of the Grantees shall vest as follows: 5% on 13 July 2028; 10% on 13 July 2029; 15% on 13 July 2030; 20% on 13 July 2031; 25% on 13 July 2032; and 25% on 13 July 2033.
Performance Targets:	The vesting of each tranche of the Options shall be subject to the annual performance of the Grantee.
Clawback Mechanism:	Subject to compliance with the applicable laws and the Listing Rules, if any Grantee is convicted of any disciplinary violations, breaches of any covenant, or any misconduct set out in the Offer Letter, in respect of the Options already exercised by the Grantee, the Company shall have the rights (but not an obligation) to: (i) To purchase the Shares the Grantee obtained by exercising the Options, with the lower of the exercise price of the Options or the repurchase price set out in the Offer Letter; or (ii) To claw back the proceeds generated from the disposal of Shares which the Grantee obtained by exercising the Options.
	In addition, the Share Option Scheme provides for other circumstances and scenarios in which the Options will be cancelled or lapsed.
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 Grantees

Among 166,462,428 Options granted to the Grantees, 83,963,722 Options were granted to 46 directors of the subsidiaries of the Company, 82,498,706 Options were granted to 49 employees of the Group, and the details of which are as follows:

Group of Grantees	Category of Grantees	Number of Grantees	Number of Options granted
Group A	Directors of the subsidiaries of the Company	7	31,131,587
	Employees	7	26,095,595
Group B	Directors of the subsidiaries of the Company	39	52,832,135
	Employees	42	56,403,111

REASONS FOR AND BENEFITS OF THE GRANT

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

CANCELLATION OF SHARE OPTIONS

Reference is made to the announcements of the Company dated 18 August 2023 in relation to the grant of 60,000,000 share options to certain eligible participants (the “**Previous Grantees**”) with an exercise price of HK\$2.18 per share in accordance with the Share Option Scheme, which entitle the Previous Grantees to subscribe for a total of 60,000,000 Shares. As at the date of this announcement, 50,000,000 share options have lapsed since some Previous Grantees have ceased to be eligible participants after resignation, 800,000 share options have been exercised, all of the remaining 9,200,000 share options have not been exercised (the “**Outstanding Share Options**”). Save as disclosed above, there are no other outstanding Share Options under the Share Option Scheme.

To align the incentive terms of the Previous Grantees with the Company’s existing incentive framework, on 13 July 2026, the Board has resolved to cancel such Outstanding Share Options pursuant to the Share Option Scheme while the new share options granted to the Previous Grantees have been disclosed above. Pursuant to the rules of the Share Option Scheme, Options cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

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; and (iii) none of the Grantees is a related entity participant or a service provider (as defined under 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 and cancellation of the Options, 768,308,042 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”	13 July 2026
“Director(s)”	director(s) of the Company
“Grantee(s)”	the eligible participant(s) who was(were) granted Options in accordance with the Share Option Scheme on the Date of Grant. The Grantees are divided into Group A and Group B. Save for the difference in the vesting period, the Options granted to the Group A Grantees and the Group B Grantees are identical in all material terms
“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
“Offer Letter”	pursuant to the Option Scheme, the offer letter issued to the Grantee on the Date of Grant in respect of the grant of the Options

“Option(s)”	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
“Shareholder(s)”	shareholder(s) of the Company
“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all Options to be granted under the Share Option Scheme and any other share option schemes and/or share award schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time, being 10% of the total number of Shares in issue as at 16 August 2023, being the date of approval of the Share Option Scheme
“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
Julian Juul WOLHARDT
Chairman of the Board and Chief Executive Officer

Hong Kong, 14 July 2026

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

Executive Director:

Julian Juul WOLHARDT (*Chairman and Chief Executive Office*)

Non-Executive Directors:

Mengxue Mei

LIU Hao

Independent Non-Executive Directors:

Karen Yifen CHANG

Charles Sheung Wai CHAN

YIH, Dieter Lai Tak