
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sun Art Retail Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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)

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
PROPOSED GRANTING OF GENERAL MANDATES TO
BUY BACK SHARES AND TO ISSUE NEW SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of Sun Art Retail Group Limited to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Tuesday, 12 May 2020 at 5:30 p.m. is set out in this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. not later than 5:30 p.m. on Sunday, 10 May 2020 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (www.sunartretail.com).

References to time and dates in this circular are to Hong Kong time and dates.

3 April 2020

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“A-RT”	A-RT Retail Holdings Limited (吉鑫控股有限公司), the immediate controlling shareholder of our Company, a limited liability company incorporated in Hong Kong, whose principal business is investment holding and a company owned by Auchan Retail International S.A., Taobao China Holding Limited, Concord Greater China Limited, Kofu International Limited and Monicole Exploitation maatschappij BV (a company incorporated in the Netherlands, which is directly wholly-owned by Auchan Retail International S.A.);
“Alibaba Group”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands and its American depositary shares are listed on the New York Stock Exchange (Stock Symbol: BABA) and its ordinary shares on the Main Board of the Stock Exchange (Stock Code: 9988);
“Annual General Meeting”	the annual general meeting of the Company to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Tuesday, 12 May 2020 at 5:30 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 18 to 22 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association of the Company adopted by special resolution passed on 14 May 2015 and as amended on 17 May 2019 and currently in force;
“Auchan Holding”	Auchan Holding S.A. (formerly “Groupe Auchan S.A.”), a company incorporated in France and comprises various companies controlled by Gerard Mulliez and the other members of the Mulliez family through which they conduct or pursue their various business interests in hypermarkets operations, supermarkets operations, real estate development, banking and e-commerce;
“Auchan Retail”	Auchan Retail International S.A. (formerly “Auchan hyper S.A.”), a company incorporated in France which is 99.99% owned by Auchan Holding;

DEFINITIONS

“Board”	the board of Directors of the Company;
“Company”	Sun Art Retail Group Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiary(ies) as ascribed to it under the Listing Rules;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	a general and unconditional mandate proposed to be granted to the Directors to issue, allot or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of proposed ordinary resolution contained in paragraph 6 of the notice of the Annual General Meeting;
“Latest Practicable Date”	26 March 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) in the capital of the Company;
“Share Buy-back Mandate”	a general mandate proposed to be granted to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in paragraph 5 of the notice of the Annual General Meeting;
“Shareholder(s)”	holder(s) of Share(s);

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong as amended from time to time;
“Taobao China”	Taobao China Holding Limited, a substantial shareholder of our Company, a company incorporated in Hong Kong with limited liability, and is directly wholly-owned by Taobao Holding Limited, which is in turn owned by Alibaba Group;
“%”	per cent.

LETTER FROM THE BOARD

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)

Executive Director:

HUANG Ming-Tuan
(Chief Executive Officer)

Head Office and Registered Office:

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Non-Executive Directors:

ZHANG Yong *(Chairman)*
Benoit, Claude, Francois, Marie, Joseph LECLERCQ
Xavier, Marie, Alain DELOM de MEZERAC
Edgard, Michel, Marie BONTE
CHEN Jun
Isabelle, Claudine, Françoise BLONDÉ ép. BOUVIER

*Place of business in the People's
Republic of China:*

2/F, No. 19, Jiangchang Er Road
Jing'an District
200436 Shanghai
China

Independent Non-Executive Directors:

Karen Yifen CHANG
Desmond MURRAY
HE Yi
Dieter YIH

3 April 2020

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
PROPOSED GRANTING OF GENERAL MANDATES TO
BUY BACK SHARES AND TO ISSUE NEW SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting for (i) the re-election of the retiring Directors; (ii) the granting to the Directors of the Share Buy-back Mandate and the Issuance Mandate to buy back Shares and to issue new Shares respectively.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 95 of the Articles of Association, Mr. Benoit, Claude, Francois, Marie, Joseph LECLERCQ, Mr. Xavier, Marie, Alain DELOM de MEZERAC and Mr. HE Yi shall retire at the Annual General Meeting. In addition, Mrs. Isabelle, Claudine, Françoise BLONDÉ ép. BOUVIER, who has been appointed by the Board on 17 May 2019, as well as Mr. HUANG Ming-Tuan and Mr. Dieter YIH, who have been appointed by the Board on 11 December 2019, shall hold office until the Annual General Meeting pursuant to article 99 of the Articles of Association. Each of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's board diversity policy and director nomination policy and the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors who are eligible to offer themselves for re-election at the Annual General Meeting. The Company considers that the retiring independent non-executive Directors are independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

Details of the Directors proposed for re-election at the Annual General Meeting are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATE TO BUY BACK SHARES

At the annual general meeting of the Company held on 17 May 2019, a general mandate was granted to the Directors to buy back Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to buy back Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Buy-back Mandate to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 18 to 22 of this circular (i.e. a total of 953,970,470 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). The Directors wish to state that they have no immediate plan to buy back any Shares pursuant to the Share Buy-back Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Buy-back Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE NEW SHARES

At the annual general meeting of the Company held on 17 May 2019, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to issue, allot or deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 18 to 22 of this circular (i.e. a total of 1,907,940,940 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares bought back by the Company pursuant to the Share Buy-back Mandate will also be proposed at the Annual General Meeting.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 18 to 22 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.sunartretail.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. not later than 5:30 p.m. on Sunday, 10 May 2020 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

LETTER FROM THE BOARD

6. SPECIAL ARRANGEMENTS AT THE ANNUAL GENERAL MEETING IN LIGHT OF COVID-19

Due to the recent development of the epidemic COVID-19, the Company will implement the following precautionary measures at the principal place of meeting of the Annual General Meeting against the epidemic to protect the Shareholders from the risk of infection:

- i. compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.0 degrees Celsius will not be admitted to the venue;
- ii. every Shareholder or proxy is required to (a) fill in health declaration form with information including travelling record and health condition; and (b) wear surgical facial mask throughout the meeting. Any person who refuses to follow the aforesaid will not be admitted to the venue;
- iii. every Shareholder or proxy who has travelled from jurisdictions, which according to the Department of Health of Hong Kong would render such person subject to a quarantine order, within 14 days of the date of Annual General Meeting will not be admitted to the venue; and
- iv. no refreshments will be served.

Furthermore, the Company wishes to strongly advise the Shareholders, particularly Shareholders who are unwell, subject to quarantine in relation to COVID-19 or unable to travel to attend to Annual General Meeting, that they may appoint any person or the chairman of the Annual General Meeting as a proxy to vote on the resolutions to be proposed at the Annual General Meeting, instead of attending the Annual General Meeting in person. The Company also encourages Shareholders to watch the Company's website and regulatory news services for any updates in relation to the Annual General Meeting that may need to be provided.

7. RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors, granting of the Share Buy-back Mandate and the Issuance Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

Yours faithfully,
For and on behalf of the Board
Sun Art Retail Group Limited
HUANG Ming-Tuan
Executive Director and Chief Executive Officer

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) **Mr. Benoit, Claude, Francois, Marie, Joseph LECLERCQ (“Mr. Leclercq”)**

Mr. Benoit, Claude, Francois, Marie, Joseph LECLERCQ, aged 49, is a non-executive Director of the Company since 12 September 2012. Between 2011 and 2015, he was located in Shanghai to focus on the family investment activity in China. Since September 2015, Mr. Leclercq is the chairman of Creadev, the Mulliez family’s investment company (www.creadev.com).

Mr. Leclercq is the president of Jungle & MTL Holdings, a company incorporated in the U.S.A. since 1993. Mr. Leclercq is also a co-owner of (i) MTL, a weaving decoration production factory in the U.S.A., (ii) Breteuil, a company which is a fabric furnishing agent in the U.S.A., (iii) IPM US, a design company and converter in decoration in the U.S.A., and (iv) Bayart Tissage, a design company and converter in decoration in France. Moreover, Mr. Leclercq is a chief executive officer in charge of coaching at Donghia, a company engaged in high end upholstery in the U.S.A. since 2005.

Mr. Leclercq has been appointed as director of A-RT and RT-Mart International Ltd. (“**RT-Mart Int’l**”) since September 2012 and June 2014 respectively. With effect from 31 October 2018, he has resigned as the director of RT-Mart Int’l. He has also been appointed as a director of Auchan Holding and Auchan Retail since 5 March 2015, the ultimate controlling Shareholders. With effect from 2 December 2015 and 7 March 2016, Mr. Leclercq resigned as director of Auchan Holding and Auchan Retail respectively. Mr. Leclercq has been appointed as the director of Auchan Retail on 25 March 2019. With effect from 17 December 2019, Mr. Leclercq resigned as a director of Auchan Retail.

Mr. Leclercq has been appointed a director of Feiniu E-Commerce (Shanghai) Co., Ltd. on 8 August 2013, Feiniu E-Commerce Hong Kong Limited on 3 February 2015, and Fields Hong Kong Limited (“**Fields HK**”) on 2 April 2015 respectively, all of which are subsidiaries of the Company. With effect from 5 November 2015, Mr. Leclercq resigned as a director of Fields HK.

Mr. Leclercq received a Bachelor of Arts major in international marketing and finance from Middlesex University in London in 1992 and a CESEM degree from Reims Management School in 1992.

Mr. Leclercq does not have any relationship with any directors or senior management or substantial Shareholders or controlling Shareholders of the Company except that he is one of the family members of the Mulliez family.

Mr. Leclercq has entered into a service agreement with a term of appointment for a period of three years until 11 September 2021 and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Leclercq does not receive any remuneration as per the service agreement.

At the Latest Practicable Date, Mr. Leclercq did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, at the Latest Practicable Date, Mr. Leclercq did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and did not have any relationship with any other Directors, senior management, substantial shareholders or controlling Shareholders of the Company.

Save as disclosed above, there is no other information in relation to Mr. Leclercq required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Leclercq that need to be brought to the attention of the Shareholders.

(2) Mr. Xavier, Marie, Alain DELOM de MEZERAC (“Mr. Delom de Mezerac”)

Mr. Xavier, Marie, Alain DELOM de MEZERAC, aged 64, is a non-executive Director of the Company since 8 February 2001. Mr. Delom de Mezerac received a degree from ESSEC Business School (Diplome de L’ESSEC, Ecole Supérieure des Sciences économiques et Commerciales) in 1978. From 1985 to 1993, Mr. Delom de Mezerac was with the Corning group (Corning), a global specialty glass and ceramics producer, in the United States of America, Mexico and France operations, where he worked in various financial and management positions including as financial manager for Corning’s Europe operations. From 1994 to 1997, Mr. Delom de Mezerac was with Euro Disney S.A.S. as its chief financial officer. From 1997 to 1999, Mr. Delom de Mezerac was with Alcatel Alsthom S.A. as its deputy chief financial officer. From 1999 to 2015, Mr. Delom de Mezerac was with Auchan Holding as its chief financial officer and a member of the executive committee. From 2014 until October 2019, he was the chairman of the Board of Oney Bank S.A., which is the consumer finance subsidiary of Auchan Holding. Meanwhile, he has become permanent representative of Auchan Holding, Director of Oney Bank S.A. since 22 October 2019. Since December 2015, he has been the general secretary and a member of the “Directoire” of Auchan Holding. Mr. Delom de Mezerac has also been appointed as permanent representative of Auchan Holding, president of Soparalinea S.A.S. since July 2018. Furthermore, he has also been appointed as a director of Auchan (China) Hong Kong Ltd since May 2019 and a director of A-RT, which is one of the controlling Shareholders of the Company, as well as certain of the subsidiaries of the Group, including RT-Mart Holdings Limited and Concord Champion International Ltd.

Mr. Delom de Mezerac has entered into a service agreement with a term of appointment for a period of three years until 26 July 2020 and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Delom de Mezerac receives an annual remuneration of HK\$1.00 as per the service agreement.

At the Latest Practicable Date, Mr. Delom de Mezerac had interest of 1,078 free shares in Oney Bank S.A., the associated corporation of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, at the Latest Practicable Date, Mr. Delom de Mezerac did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and did not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Save as disclosed above, there is no other information in relation to Mr. Delom de Mezerac required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Delom de Mezerac that need to be brought to the attention of the Shareholders.

(3) Mr. HE Yi (“Mr. He”)

Mr. HE Yi (何毅), aged 66, is an independent non-executive Director of the Company since 27 June 2011. Mr. He studied management and strategy from HEC International Business School (école des Hautes Etudes Commerciales) from 1989 to 1991. From 2010 to 2017, Mr. He was a director of Essilor International (Compagnie Generale d’Optique), listed on the Euronext Paris stock exchange. From 1978 to 1989, he was a representative of the People’s Republic of China Embassy in France, Paris where he was successively in charge of consular affairs, cultural affairs, protocol, relations with media and cooperation in administrative matters between the PRC and France. From 1991 to 1996, he joined the Danone Group’s Shanghai subsidiary as a general manager. Mr. He joined the Essilor Group as the chief executive officer of Shanghai Essilor Optical Co., Ltd. in 1996 and has been the chairman of Essilor (China) Holding Company, a director of Essilor International since 2010 and the chairman of Essilor Hong Kong Limited since 2018.

Mr. He has signed a letter of appointment with the Company with a term of appointment for a period of three years until 26 June 2020 and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. He receives an annual remuneration of HK\$345,000 as per the letter of appointment.

At the Latest Practicable Date, Mr. He did not have any interest in Shares within the meaning of Part XV of the SFO. Mr. He meets the independence guideline as set out in rules 3.13 of the Listing Rules.

Saved as disclosed above, at the Latest Practicable Date, Mr. He did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and did not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Save as disclosed above, there is no other information in relation to Mr. He required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. He that need to be brought to the attention of the Shareholders.

(4) Mrs. Isabelle, Claudine, Françoise BLONDÉ ép. BOUVIER (“Mrs. Bouvier”)

Mrs. Isabelle, Claudine, Françoise BLONDÉ ép. BOUVIER, aged 47, is a non-executive Director of the Company since 17 May 2019. She has been appointed as the finance, performance and assets chief officer of Auchan Retail (together with its subsidiaries, “**Auchan Group**”) since November 2015 and she currently also serves as a director of various companies within the Auchan Group including Auchan France, Auchan Spain, Auchan Poland, Auchan Portugal, Auchan Romania, Auchan Russia and Auchan Senegal. She has been appointed as the permanent representative of Auchan Retail and a director of Auchan Retail International Technology since March 2019. Since July 2019, she has held a mandate as a director of Feiniu E-Commerce Hong Kong Limited.

Prior to her current positions, Mrs. Bouvier has held several other senior positions within the Auchan Group, including the chief financial officer of Auchan Portugal from July 2013 to November 2015 and accounting, consolidation and financial systems manager from June 2008 to June 2013. Before joining the Auchan Group, Mrs. Bouvier served as an auditor of at KPMG’s audit division in Paris of France from September 1995 to June 1999, and later a consolidation manager of Group Leroy Merlin from June 1999 to February 2004. Mrs. Bouvier has served as an accounting, consolidation and financial system manager of Group Adeo from February 2004 to May 2008. Mrs. Bouvier has obtained a bachelor’s degree in corporate finance from EDHEC Business School in France in 1995.

Mrs. Bouvier has entered into a service agreement with a term of appointment for a period of three years until 16 May 2022 and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mrs. Bouvier does not receive any remuneration as per the service agreement.

At the Latest Practicable Date, Mrs. Bouvier did not have any interest in Shares within the meaning of Part XV of the SFO.

Saved as disclosed above, at the Latest Practicable Date, Mrs. Bouvier did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and did not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Save as disclosed above, there is no other information in relation to Mrs. Bouvier required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mrs. Bouvier that need to be brought to the attention of the Shareholders.

(5) Mr. HUANG Ming-Tuan (“Mr. Huang”)

Mr. HUANG Ming-Tuan (黃明端), aged 64, is the Chief Executive Officer of the Company since 17 May 2019 and has been appointed as an executive Director of the Company since 11 December 2019. Mr. Huang is also the chairman of the Group’s subsidiaries operating under the “RT-Mart” banner in China. Mr. Huang received a Master of Business Administration from the College of Management, National Taiwan University in 1984. He is responsible for the overall strategic planning and management of the Group. Mr. Huang was a Director of the Company during the period from 28 April 2011 to 30 January 2018. He joined the Group in 2001 and has been the chief executive officer of RT-Mart Limited Shanghai where he is responsible for devising and implementing its overall strategies and the supervision of its business operations. Mr. Huang has been involved in the business and operational strategies of the Company. Mr. Huang is also a director of certain subsidiaries of the Group.

Prior to joining the Group in 2001, Mr. Huang was the general manager of Ruentex Industries Limited from 1991 to 1997, where he was responsible for devising and implementing its overall strategies and the supervision of its business operations. From 1997 to 2000, Mr. Huang was the general manager of RT-Mart Int’l.

Mr. Huang has entered into a service agreement with a term of appointment for a period of three years until 10 December 2022 and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Huang receives an annual remuneration of HK\$1.00 as per the service agreement. Mr. Huang is also entitled to his emoluments which comprise salaries, discretionary bonuses, share-based compensation and other benefits-in-kind, which have been determined by reference to his qualifications, positions, duties and responsibilities and seniority with the Group and the Group’s remuneration policy. His remuneration will be reviewed annually by the Remuneration Committee of the Company.

At the Latest Practicable Date, Mr. Huang, was or was deemed to be, interested in 77,590,702 Shares within the meaning of Part XV of the SFO.

Save as disclosed above, at the Latest Practicable Date, Mr. Huang did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and did not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Save as disclosed above, there is no other information in relation to Mr. Huang required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Huang that need to be brought to the attention of the Shareholders.

(6) Mr. Dieter YIH (“Mr. Yih”)

Mr. Dieter YIH (葉禮德) alias YIH Lai Tak, Dieter, aged 57, is an independent non-executive Director of the Company since 11 December 2019. Mr. Yih received his Bachelor of Laws degree from King’s College London and he is a Fellow of King’s College London. Mr. Yih is admitted to practice law in Hong Kong, England & Wales, Singapore and Australia. He is a partner of the Hong Kong law firm Kwok Yih & Chan, where his practice focuses on corporate finance, capital markets, securities and regulatory compliance.

Mr. Yih was the president of the Law Society of Hong Kong between 2012 and 2013, and holds various public offices and community appointments in Hong Kong. He is currently a Justice of the Peace appointed by the Hong Kong Government, a member of the Listing Committee of the Stock Exchange, chairman of the Financial Dispute Resolution Centre, deputy chairman of council of the Education University of Hong Kong, a member of the Education Commission, a member of the Steering Committee of the Quality Education Fund, a member of the HKICPA Regulatory Oversight Board, a member of the Standing Committee on Judicial Salaries and Conditions of Service, a member of the Standing Committee on Legal Education and Training, and a member of the Banking Review Tribunal. He is also a member of the Guangdong Province of the Chinese People’s Political Consultative Conference.

Mr. Yih has signed a letter of appointment with the Company with a term of appointment for a period of three years until 10 December 2022 and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Yih receives an annual remuneration of HK\$345,000 as per the letter of appointment.

At the Latest Practicable Date, Mr. Yih did not have any interest in Shares within the meaning of Part XV of the SFO. Mr. Yih meets the independence guideline as set out in rules 3.13 of the Listing Rules.

Saved as disclosed above, at the Latest Practicable Date, Mr. Yih did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and did not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Save as disclosed above, there is no other information in relation to Mr. Yih required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Yih that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-back Mandate. It also constitutes the memorandum under section 239(2) of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 9,539,704,700 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Share Buy-back Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 9,539,704,700 Shares, the Directors would be authorized under the Share Buy-back Mandate to buy back, during the period in which the Share Buy-back Mandate remains in force, a total of 953,970,470 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE BUY-BACK

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders.

Shares buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

3. FUNDING OF SHARE BUY-BACK

The Company may only apply funds legally available for share buy-back in accordance with its Articles of Association, the laws of Hong Kong and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE BUY-BACK

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2019) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such

extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
February, 2019	8.55	7.42
March, 2019	8.00	6.72
April, 2019	7.84	6.75
May, 2019	7.38	6.35
June, 2019	7.45	6.72
July, 2019	8.11	7.30
August, 2019	8.68	6.93
September, 2019	8.43	7.40
October, 2019	8.45	7.80
November, 2019	9.24	8.03
December, 2019	9.76	8.65
January, 2020	10.40	8.93
February, 2020	10.96	9.08
March, 2020 (<i>up to the Latest Practicable Date</i>)	11.16	9.74

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to buy back Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

7. TAKEOVERS CODE

If as a result of a buy-back of Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, A-RT, Auchan Retail, Taobao China and New Retail Strategic Opportunities Investment 1 Limited were interested in a total of 7,347,461,560 Shares representing approximately 77.02% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Share Buy-back Mandate in full, the aggregate shareholding of the above shareholders would be increased to approximately 85.58% of the issued share capital of the Company.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

8. SHARE BUY-BACK MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING

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)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (the “**Annual General Meeting**”) of Sun Art Retail Group Limited 高鑫零售有限公司 (the “**Company**”) will be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Tuesday, 12 May 2020 at 5:30 p.m. for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

1. To receive the audited consolidated financial statements of the Company and the reports of the directors (the “**Directors**”) and auditors for the year ended 31 December 2019.
2. To declare a final dividend of HK\$0.15 per share for the year ended 31 December 2019.
3.
 - (a) To re-elect Mr. HUANG Ming-Tuan as an executive Director;
 - (b) To re-elect Mr. Xavier, Marie, Alain DELOM de MEZERAC as a non-executive Director;
 - (c) To re-elect Mr. Benoit, Claude, Francois, Marie, Joseph LECLERCQ as a non-executive Director;
 - (d) To re-elect Mrs. Isabelle, Claudine, Françoise BLONDÉ ép. BOUVIER as a non-executive Director;
 - (e) To re-elect Mr. HE Yi as an independent non-executive Director;
 - (f) To re-elect Mr. Dieter YIH as an independent non-executive Director;
 - (g) To authorize the board of Directors (the “**Board**”) to fix the respective Directors’ remuneration.

NOTICE OF ANNUAL GENERAL MEETING

4. To re-appoint KPMG as auditors and to authorize the Board to fix their remuneration.

5. **“THAT:**

(a) subject to paragraph 5(b) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to buy back its shares in accordance with all applicable laws, rules and regulations;

(b) the total number of shares of the Company to be bought back pursuant to the mandate in paragraph 5(a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any subsequent consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

6. **“THAT:**

(a) subject to paragraph 6(b) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

(b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph 6(a) above, otherwise than pursuant to:

- (i) a Rights Issue (as defined below);
- (ii) the exercise of options under a share option scheme of the Company; and
- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of the issued shares of the Company as at the date of passing of this resolution and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph 6(a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** conditional upon the passing of resolutions set out in paragraph 5 and 6 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in paragraph 6 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be issued and allotted or agreed conditionally or unconditionally to be issued and allotted by the Directors pursuant to such general mandate of the number of shares bought back by the Company pursuant to the mandate referred to in resolution set out in paragraph 5 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

By Order of the Board
Sun Art Retail Group Limited
HUANG Ming-Tuan

Executive Director and Chief Executive Officer

Hong Kong, 3 April 2020

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her. In light of the epidemic situation of COVID-19, shareholders may consider appointing the chairman of the above meeting as his/her proxy to vote on the resolutions, instead of attending the above meeting in person.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 5:30 p.m. on Sunday, 10 May 2020 (Hong Kong time)) or the adjourned meeting (as the case may be). Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the Register of Members of the Company will be closed from Thursday, 7 May 2020 to Tuesday, 12 May 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 6 May 2020.

NOTICE OF ANNUAL GENERAL MEETING

5. For determining the entitlement to the proposed final dividend, the record date is fixed on Tuesday, 19 May 2020. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 19 May 2020.
6. A circular containing further details concerning items 3, 5, 6 and 7 set out in the above notice will be sent to all shareholders of the Company.
7. References to time and dates in this notice are to Hong Kong time and dates.
8. Due to the recent development of the epidemic COVID-19, the Company will implement the following precautionary measures at the principal place of meeting of the Annual General Meeting against the epidemic to protect the Shareholders from the risk of infection:
 - i. compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.0 degrees Celsius will not be admitted to the venue;
 - ii. every Shareholder or proxy is required to (a) fill in health declaration form with information including travelling record and health condition; and (b) wear surgical facial mask throughout the meeting. Any person who refuses to follow the aforesaid will not be admitted to the venue;
 - iii. every Shareholder or proxy who has travelled from jurisdictions, which according to the Department of Health of Hong Kong would render such person subject to a quarantine order, within 14 days of the date of Annual General Meeting will not be admitted to the venue; and
 - iv. no refreshments will be served.

Furthermore, the Company wishes to strongly advise the Shareholders, particularly Shareholders who are unwell, subject to quarantine in relation to COVID-19 or unable to travel to attend to Annual General Meeting, that they may appoint any person or the chairman of the Annual General Meeting as a proxy to vote on the resolutions to be proposed at the Annual General Meeting, instead of attending the Annual General Meeting in person. The Company also encourages Shareholders to watch the Company's website and regulatory news services for any updates in relation to the Annual General Meeting that may need to be provided.