

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*



## SUN ART RETAIL GROUP LIMITED

高鑫零售有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 06808)**

### PROPOSED CHANGE OF AUDITORS

This announcement is made by Sun Art Retail Group Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (“**Board**”) of the Company announces that, the current auditors of the Company, KPMG (“**KPMG**”) has informed the Company that KPMG will retire as the auditors of the Company with effect from the conclusion of the forthcoming annual general meeting of the Company to be held on 12 August 2021 (the “**AGM**”) and will not offer themselves for reappointment as auditors of the Company.

KPMG has been the auditors of the Company since 2011. In October 2020 Alibaba Group Holding Limited (“**Alibaba Group**”, a company with its American depositary shares listed on the New York Stock Exchange under the stock code BABA, and its ordinary shares listed on the Stock Exchange under the stock code 09988) became the controlling shareholder of the Company. With the accounting principles and standards applicable to the Company and to the Alibaba Group becoming increasingly sophisticated and complex in recent years, the Board is of the view that it would be in the best interest of the Company and its shareholders as a whole for the Company to appoint the same auditors as the Alibaba Group for the alignment of the audit work and with a view to enhancing the efficiency of the audit services. On 10 May 2021, the Board has resolved, with the recommendation of the audit committee of the Company, to propose the appointment of PricewaterhouseCoopers (“**PWC**”) as the new auditors of the Company (“**Proposed Appointment**”). Accordingly, KPMG will retire as the auditors of the Company upon expiration of its current term of office at the close of the AGM. PWC will, following the retirement of KPMG, hold office until the conclusion of the next annual general meeting of the Company, subject to the approval of shareholders of the Company at the AGM.

The Company has received a confirmation letter from KPMG confirming that there are no matters connected with their retirement that need to be brought to the attention of the shareholders of the Company. The Board and audit committee of the Company have also confirmed that there are no disagreements or outstanding matters between the Company and KPMG, and the Board is not aware of any other matters in relation to the proposed change of auditors that need to be brought to the attention of the shareholders of the Company.

A circular containing, among other things, information in relation to the Proposed Appointment together with the notice convening the AGM will be despatched to the shareholders in due course.

The Board would like to take this opportunity to express its sincere gratitude to KPMG for its professional and quality services rendered to the Company during the past years.

By Order of the Board  
**Sun Art Retail Group Limited**  
**LIN Xiaohai**  
*Executive Director and Chief Executive Officer*

Hong Kong, 10 May 2021

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

*Executive Director:*

LIN Xiaohai (*Chief Executive Officer*)

*Non-executive Directors:*

HUANG Ming-Tuan (*Chairman*)

LI Yonghe

XU Hong

*Independent Non-executive Directors:*

Karen Yifen CHANG

Dieter YIH

Charles Sheung Wai CHAN