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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.

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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

A notice convening the Annual General Meeting of Sun Art Retail Group Limited to be held at Lotus Room, 6/F, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 10 May 2017 at 9:00 a.m. is set out on pages 13 to 16 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. 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).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy 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 the holding of the Annual General Meeting or any adjournment thereof. 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.

15 March 2017

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Lotus Room, 6/F, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 10 May 2017 at 9:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 13 to 16 of this circular, or any adjournment thereof;
“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 jointly owned by Auchan Retail, CGC, Kofu and Monicole Exploitation Maatschappij B.V. (a company incorporated in the Netherlands, which is indirectly wholly-owned by Auchan Retail);
“Articles of Association”	the articles of association of the Company adopted by special resolution passed on 14 May 2015 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 the 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 wholly-owned by Auchan Holding;
“Board”	the board of Directors of the Company;
“CGC”	Concord Greater China Limited, a company incorporated in the British Virgin Islands and a company under Ruentex;

DEFINITIONS

“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;
“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 as set out on pages 13 to 16 of this circular;
“Kofu”	Kofu International Limited, a company incorporated in the British Virgin Islands, which is indirectly wholly-owned by Mr. Yin Chung Yao;
“Latest Practicable Date”	7 March 2017, 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;
“Ruentex”	Ruentex Development, Ruentex Industries, CGC and Kofu collectively;
“Ruentex Development”	Ruentex Development Co. Ltd., a company listed on the Taiwan Stock Exchange with business interests in construction, development, leasing and sale of commercial, residential and industrial buildings;
“Ruentex Industries”	Ruentex Industries Limited, a company listed on the Taiwan Stock Exchange with business interests in the manufacture and sale of textiles;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

DEFINITIONS

“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 as set out on pages 13 to 16 of this circular;
“Shareholder(s)”	holder(s) of Share(s);
“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; and
“%”	per cent.

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 Directors:

Bruno, Robert MERCIER
HUANG Ming-Tuan

Non-executive Directors:

CHENG Chuan-Tai
Benoit, Claude, Francois, Marie, Joseph, LECLERCQ
Xavier, Marie, Alain DELOM de MEZERAC
Wilhelm, Louis HUBNER

Independent Non-executive Directors:

Karen Yifen CHANG
Desmond MURRAY
HE Yi

Head Office and Registered Office:

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

Place of business in the People's

Republic of China:

6th Floor
No. 165, Long Kou Road
Yangpu District
200090, Shanghai
China

15 March 2017

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. Desmond MURRAY, Mr. HE Yi and Mr. HUANG Ming-Tuan shall retire at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors 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 13 May 2016, 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 13 to 16 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.

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE NEW SHARES

At the annual general meeting of the Company held on 13 May 2016, 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 13 to 16 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.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 13 to 16 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 or any adjournment thereof. In calculating the aforesaid 48 hour period, no account will be taken of any part of a day that is public holiday. Accordingly, the form of proxy must be delivered to the Company's share registrar not later than 9:00 a.m. (Hong Kong time) on Monday, 8 May 2017. 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.

6. RECOMMENDATION

The Directors consider that the proposed re-election of 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.

7. 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
Bruno, Robert MERCIER
Chief Executive Officer

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
 BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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. Desmond MURRAY

Mr. Desmond MURRAY, aged 62, is an Independent Non-executive Director of the Company since 27 June 2011. Mr Murray graduated with a Bachelor of Commerce from the University College Dublin in 1976 and is a qualified accountant and a member of the Hong Kong Institute of Certified Public Accountants. He was an audit partner in PricewaterhouseCoopers Hong Kong from 1987 to 2000. Since withdrawing from practice with PricewaterhouseCoopers, Mr. Murray has taken on a number of non-executive directorships. These include a major retailer in Ireland and Clear Media Limited (“**CML**”, Stock Code: 100), a company listed on the Main Board of the Stock Exchange. With effect from 1 July 2016, Mr. Murray has relinquished his position as chairman of the remuneration committee of CML. With effect from 9 August 2016, Mr. Murray has resigned as an independent non-executive director, as chairman of the audit committee, and as a member of each of the audit committee, the remuneration committee and the nomination committee of CML.

Mr. Murray was a non-executive director of iShares plc, iShares II plc, iShares III plc, iShares IV plc and iShares V plc, companies all listed on the Main Board of the London Stock Exchange until 31 March 2013. He was also a non-executive director of Black Rock Fixed Income Dublin Funds plc, Black Rock Institutional Pooled Funds plc and Institutional Cash Series plc, companies all listed on the Dublin Stock Exchange until 31 March 2013. Mr. Murray also acts as a business consultant to a number of smaller businesses. While working with PricewaterhouseCoopers, Mr. Murray advised boards and audit committees of companies listed in Hong Kong, both as an audit partner and as an adviser in relation to both internal audit and corporate governance. He was Honorary Consul for Ireland in Hong Kong from 1996 to 1999.

Mr. Murray has signed a letter of appointment with the Company with a term of appointment for a period of three years until 26 June 2017 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. Murray received an annual remuneration of HK\$360,000 for the year ended 31 December 2016.

At the Latest Practicable Date, Mr. Murray had interest of 55,000 Shares in the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Murray 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 does 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. Murray 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. Murray that need to be brought to the attention of the Shareholders.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

(2) Mr. HE Yi

Mr. HE Yi (何毅), aged 63, is an Independent Non-executive Director of the Company since 27 June 2011. Mr. He studied management and strategy from HEC International Business School (ecole des Hautes etudes Commerciales) from 1989 to 1991. Mr. He is also currently 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 and a director of Essilor International since 2010.

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 2017 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 received an annual remuneration of HK\$300,000 for the year ended 31 December 2016.

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

Saved as disclosed above, 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 does 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.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
 BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

(3) Mr. HUANG Ming-Tuan

Mr. HUANG Ming-Tuan (黃明端), aged 61, is an Executive Director of the Company and chairman of the subsidiaries of the Group operating under the “RT-Mart” banner. 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 our business. Mr. Huang has been a director of the Company since 28 April 2011. He joined the Group in 2001 and has since been the chief executive officer of RT-Mart Limited Shanghai (“**Shanghai RT-Mart**”) 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 since 2001 as the legal representative of the directors of our Board, Ruentex Industries Limited (“**Ruentex Industries**”) and Sinopac Global Investment Ltd. Mr. Huang is also a director of certain of the subsidiaries of the Group, including Concord Investment (China) Co, Ltd., Shanghai RT-Mart, Feiniu E-Commerce Hong Kong Limited and Fields Hong Kong Limited.

Prior to joining the Group in 2001, Mr. Huang was the general manager of Ruentex Industries 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 2001, Mr. Huang was the vice chairman of RT-Mart International Ltd.

Mr. Huang has entered into a service agreement with a term of appointment for a period of three years until 26 July 2017 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.

At the Latest Practicable Date, Mr. Huang had interest of 117,234,074 Shares within the meaning of Part XV of the SFO.

Save as disclosed above, 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 does 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.

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 sections 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 paragraph 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 2016) 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>
March, 2016	5.50	4.65
April, 2016	5.95	5.10
May, 2016	5.85	4.84
June, 2016	5.50	4.78
July, 2016	5.67	5.04
August, 2016	5.55	4.87
September, 2016	5.75	5.00
October, 2016	5.70	5.25
November, 2016	6.83	5.12
December, 2016	7.20	6.46
January, 2017	7.90	6.72
February, 2017	8.88	7.00
March, 2017 (<i>up to the Latest Practicable Date</i>)	7.45	7.07

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, Kofu and CGC, the controlling shareholders of the Company (as defined in the Listing Rules), were interested in a total of 7,347,158,000 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 controlling shareholders would be increased to approximately 85.57% 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 Lotus Room, 6/F, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 10 May 2017 at 9:00 a.m. for the following purposes:

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 2016.
2. To declare a final dividend of HK\$0.23 per share for the year ended 31 December 2016.
3. (a) To re-elect Mr. Desmond MURRAY as an Independent Non-executive Director;

(b) To re-elect Mr. HE Yi as an Independent Non-executive Director;

(c) To re-elect Mr. HUANG Ming-Tuan as an Executive Director; and

(d) To authorize the board of Directors (the “**Board**”) to fix the respective Directors’ remuneration.
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;

NOTICE OF ANNUAL GENERAL MEETING

(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, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be bought back under the mandate in paragraph 5(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.”

6. “**THAT:**

- (a) subject to paragraph 6(c) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company during the Relevant Period (as defined below) 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;
- (b) the mandate in paragraph 6(a) above shall authorize the Directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) 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,

NOTICE OF ANNUAL GENERAL MEETING

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

(d) 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).”

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 allotted and issued or agreed conditionally or unconditionally to be allotted and issued 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 amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

By Order of the Board
Sun Art Retail Group Limited
Bruno, Robert MERCIER
Chief Executive Officer

Shanghai, PRC, 15 March 2017

NOTICE OF ANNUAL GENERAL MEETING

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 above meeting is entitled to appoint a proxy to attend and vote instead of him. 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.
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 holding of the meeting or any adjournment thereof. In calculating the aforesaid 48 hours period, no account will be taken of any part of a day that is a public holiday. Accordingly, the form of proxy must be delivered to the Company’s share registrar not later than 9:00 a.m. (Hong Kong time) on Monday, 8 May 2017. 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 Monday, 8 May 2017 to Wednesday, 10 May 2017, 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 Friday, 5 May 2017.
5. For determining the entitlement to the proposed final dividend, the record date is fixed on Wednesday, 17 May 2017. 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 Wednesday, 17 May 2017.
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 together with the 2016 Annual Report.