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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020

The board (the "**Board**") of directors (the "**Directors**") of Sun Art Retail Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2020, together with the comparative figures for the corresponding period in 2019 as below.

HIGHLIGHTS OF INTERIM RESULTS

	For the six months ended 30 June		
	2020	2019	**Change**
	RMB million		
Revenue	**53,170**	50,586	5.1%
Gross Profit	**13,054**	13,188	(1.0)%
Profit from Operations	**3,346**	3,014	11.0%
Profit for the Period	**2,191**	1,899	15.4%
Profit Attributable to			
Equity Shareholders of the Company	**2,062**	1,766	16.8%
Earnings Per Share ("**EPS**")			
– Basic and diluted[(1)]	**RMB0.22**	RMB0.19	

The financial information set out below in this announcement represents an extract from the interim financial statements, which are unaudited but have been reviewed by the Group's independent auditors, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 and by the Company's audit committee (the "**Audit Committee**"). KPMG's unmodified review report is included in the interim report (the "**Interim Report**") to be sent to shareholders.

Notes:

(1) The calculation of basic and diluted EPS for the six months ended 30 June 2020 and 2019 is based on the weighted average number of 9,539,704,700 ordinary shares in issue during the periods.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2020-Unaudited

		Six months ended 30 June	
		2020	2019
	Note	***RMB million***	*RMB million*
Revenue	*3*	**53,170**	50,586
Cost of sales		**(40,116)**	(37,398)
Gross profit		**13,054**	13,188
Other income	*4*	**904**	797
Operating costs		**(9,387)**	(9,561)
Administrative expenses		**(1,225)**	(1,410)
Profit from operations		**3,346**	3,014
Finance costs	*5(a)*	**(286)**	(314)
Share of results of associates and joint ventures		**2**	(9)
Profit before taxation		**3,062**	2,691
Income tax	*6*	**(871)**	(792)
Profit for the period		**2,191**	1,899
Other comprehensive income for the period		**–**	–
Total comprehensive income for the period		**2,191**	1,899
Profit attributable to:			
Equity shareholders of the Company		**2,062**	1,766
Non-controlling interests		**129**	133
Profit for the period		**2,191**	1,899
Total comprehensive income attributable to:			
Equity shareholders of the Company		**2,062**	1,766
Non-controlling interests		**129**	133
Total comprehensive income for the period		**2,191**	1,899
Earnings per share			
Basic and diluted	*7*	**RMB0.22**	RMB0.19

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020-Unaudited

	Note	At 30 June 2020 RMB million	At 31 December 2019 RMB million
Non-current assets			
Investment properties	8	**6,458**	6,699
Other property, plant and equipment	8	**27,438**	28,572
		33,896	35,271
Intangible assets	8	**18**	25
Goodwill		**99**	99
Equity-accounted investees		**19**	17
Deferred tax assets	6	**1,049**	1,052
		35,081	36,464
Current assets			
Inventories		**8,914**	17,724
Trade and other receivables	9	**2,754**	2,962
Time deposits		**16**	16
Restricted deposits		**562**	769
Financial assets measured at FVPL	10	**1,579**	–
Cash and cash equivalents	11	**15,023**	13,251
		28,848	34,722
Current liabilities			
Trade and other payables	12	**18,535**	25,827
Lease liabilities	13	**1,061**	1,057
Contract liabilities	14	**10,025**	10,669
Income tax payables		**476**	459
		30,097	38,012
Net current liabilities		**(1,249)**	(3,290)
Total assets less current liabilities		**33,832**	33,174

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020-Unaudited

	Note	At 30 June 2020 RMB million	At 31 December 2019 RMB million
Non-current liabilities			
Lease liabilities	*13*	**7,156**	7,511
Other financial liabilities		**50**	50
Deferred tax liabilities	*6*	**309**	255
		7,515	7,816
Net assets		**26,317**	25,358
Capital and reserves			
Share capital		**10,020**	10,020
Reserves		**14,657**	13,905
Total equity attributable to equity shareholders of the Company		**24,677**	23,925
Non-controlling interests		**1,640**	1,433
Total equity		**26,317**	25,358

NOTES:

*(Expressed in Renminbi ("**RMB**") unless otherwise stated)*

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Sun Art Retail Group Limited is a company incorporated in Hong Kong on 13 December 2000 with limited liability. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 27 July 2011. The interim financial statements comprise the Company and its subsidiaries. The interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange (the "**Listing Rules**") including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of the interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense on a year to date basis. Actual results may differ from these estimates.

The interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

The interim financial statements are unaudited, but have been reviewed by the Audit Committee of the Company and approved for issue by the Board of Directors on 12 August 2020. The interim financial statements have also been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the year ended 31 December 2019 that is included in the interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of Hong Kong Companies Ordinance (Cap. 622), ("**Companies Ordinance**"), is as follows:

The Company has delivered the financial statements for the year ended 31 December 2019 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2. CHANGE IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

Amendments to HKFRS 3, *Definition of a Business*

Amendment to HKFRS 16, *Covid-19-Related Rent Concessions*

Other than the above amendments, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKFRS 3, *Definition of a Business*

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The amendments to HKFRS 3 do not have a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim announcement.

Amendment to HKFRS 16, *Covid-19-Related Rent Concessions*

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("**COVID-19-related rent concessions**") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the interim reporting period. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred (see Note 8(a)). There is no impact on the opening balance of equity at 1 January 2020.

3. REVENUE AND SEGMENT REPORTING

The principal activity of the Group is the operation of brick-and-mortar stores and online sales channels in the People's Republic of China ("**PRC**").

The Group is organised, for management purposes, into business units based on the banner under which the brick-and-mortar stores and online sales channels are operated. As all of the Group's brick-and-mortar stores and online sales channels are located in the PRC, have similar economic characteristics, and are similar in respect of products and services provided and customer type, the Group has one reportable operating segment which is the operation of brick-and-mortar stores and online sales channels in the PRC.

Revenue mainly represents the revenue from customers and revenue from leasing areas in the hypermarket buildings. Disaggregation of revenue from contracts with customers by major products or services is as follows:

	Six months ended 30 June	
	2020	2019
	RMB million	*RMB million*
Revenue from contracts with customers within the scope of HKFRS 15 – sales of goods	**51,494**	48,522
Revenue from other sources – rental income from tenants	**1,676**	2,064
	53,170	50,586

The Group's customer base is diversified and there is no customer with whom transactions have exceeded 10% of the Group's revenue.

4. OTHER INCOME

	Six months ended 30 June	
	2020	2019
	RMB million	RMB million
Income from aged unutilised prepaid cards	**71**	126
Service income	**251**	209
Disposal of packaging materials	**70**	106
Interest income on financial assets measured at amortised cost	**230**	237
Gain on financial assets measured at FVPL	**27**	–
Government grants	**255**	119
	904	797

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 30 June	
	2020	2019
	RMB million	*RMB million*
Interest expense on other financial liabilities	**5**	4
Interest on lease liabilities	**281**	310
	286	314

(b) Staff costs

	Six months ended 30 June	
	2020	2019
	RMB million	*RMB million*
Salaries, wages and other benefits	**4,806**	4,619
Contributions to defined contribution retirement plans	**181**	546
Contributions to Employee Trust Benefit Schemes (i)	**175**	175
Share-based payments	**–**	(16)
	5,162	5,324

(i) Contributions to Employee Trust Benefit Schemes

The Group has established an Employee Trust Benefit Scheme for employees of its subsidiary, Concord Investment (China) Co., Ltd. ("**CIC**") and its subsidiaries ("**the RT-Mart Scheme**") and an Employee Trust Benefit Scheme for employees of its subsidiary, Auchan (China) Hong Kong Limited ("**ACHK**") and its subsidiaries ("**the Auchan Scheme**"). Under each scheme, an annual profit sharing contribution, calculated based on the consolidated results of CIC for the RT-Mart Scheme, and on the consolidated results of ACHK for the Auchan Scheme, and the number of eligible employees, is payable to a trust, the beneficial interests in which are allocated to participating eligible employees in accordance with the relevant Employee Trust Benefit Scheme rules. The trusts are administered by independent trustees and invest the amounts received in either cash and cash equivalents ("**cash-like assets**") or equity of CIC in the case of the RT-Mart Scheme, or cash-like assets or equity of ACHK's subsidiary, Auchan (China) Investment Co., Ltd. ("**ACI**") in the case of the Auchan Scheme, respectively. The annual profit sharing contributions are accrued in the year in which the associated services are rendered by the eligible employees.

In addition to the annual profit sharing contributions made by the Group, subject to certain conditions, eligible employees are entitled to acquire additional beneficial interests in the relevant Employee Trust Benefit Scheme trust using their own funds.

Any excess of the capital injected by the trusts to CIC or ACI over the attributable share of their consolidated net assets acquired is credited to capital reserve within equity of the Group.

(c) Other items

	Six months ended 30 June	
	2020	2019
	RMB million	*RMB million*
Cost of inventories	**40,100**	37,373
Depreciation		
– owned property, plant and equipment	**1,385**	1,478
– right-of-use assets	**659**	709
Amortisation	**9**	11
Impairment losses – other property, plant and equipment and intangible assets	**33**	14
Operating lease charges *(Note)*	**672**	669
Loss on disposal of property, plant and equipment	**4**	25

Note: Operating lease charges are payments for variable leases, short-term leases and leases of low value assets which are not required to be capitalised under HKFRS 16.

6. INCOME TAX

Income tax in the consolidated statement of profit and loss and other comprehensive income represents:

	Six months ended 30 June	
	2020	2019
	RMB million	*RMB million*
Current tax – Hong Kong Profits Tax		
Provision for the period (i)	**–**	–
Over -provision in respect of prior years	**–**	–
Current tax – PRC income tax		
Provision for the period	**797**	721
Under/(over)-provision in respect of prior years	**17**	(6)
	814	715
Deferred tax		
Origination and reversal of temporary differences, net	**57**	77
	871	792

(i) The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits of the Company and its subsidiaries incorporated in Hong Kong (2019: 16.5%). The payments of dividends by Hong Kong companies are not subject to any Hong Kong withholding tax.

(ii) PRC subsidiaries are subject to income tax at 25% for the six months ended 30 June 2020 (2019: 25%) under the Enterprise Income Tax law ("**EIT law**").

Pursuant to the related regulations in respect of the Notice of Certain Tax Policies for Implementation of Exploration and Development of Western Region (Cai Shui [2011] No.58) jointly issued by the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation in the PRC, five PRC subsidiaries of the Group are entitled to a preferential income tax rate of 15% during the six months ended 30 June 2020 and 2019.

Pursuant to the relevant regulations in respect of the Notice on the Implementation of Inclusive Tax Concessions for Small and Micro Enterprises (Cai Shui [2019] No. 13) jointly issued by the Ministry of Finance and the State Administration of Taxation in the PRC, for the portion of annual taxable income which does not exceed RMB1 million, income tax shall be calculated at 25% of the annual taxable income using the tax rate of 20%; for the portion of annual taxable income from RMB1 million to RMB3 million (inclusive), income tax shall be calculated at 50% of the annual taxable income using the tax rate of 20%. 27 PRC subsidiaries of the Group enjoyed this preferential income tax treatment during the 2019 annual tax filing.

(iii) The EIT law and its relevant regulations also impose a withholding tax at 10%, unless reduced by a tax treaty/arrangement, on dividend distributions made out of the PRC from earnings accumulated from 1 January 2008.

Under the Arrangement between the Mainland of China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, a qualified Hong Kong tax resident which is the "beneficial owner" and holds 25% or more of the equity interest in a PRC-resident enterprise is entitled to a reduced withholding tax rate of 5% on dividends received.

Since the Group can control the quantum and timing of distribution of profits of the Group's PRC subsidiaries, deferred tax liabilities are only provided to the extent that such profits are expected to be distributed in the foreseeable future.

During the six months ended 30 June 2020, deferred tax expenses of RMB37 million (30 June 2019: RMB31 million) have been recognised in respect of the withholding tax payable on the retained profits of the Group's PRC subsidiaries generated subsequent to 1 January 2008 which the directors expect to distribute outside Mainland China in the foreseeable future.

(iv) The deferred tax assets/(liabilities) recognised in the consolidated statements of financial position at the end of current and previous reporting period are arising from depreciation charges on investment properties and other property, plant and equipment including right-of use assets, income recognised from aged unutilised prepaid cards, accruals and other timing differences from the respective tax bases.

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB2,062 million (six months ended 30 June 2019: RMB1,766 million) and the weighted average of 9,539,704,700 ordinary shares (six months ended 30 June 2019: 9,539,704,700 ordinary shares) in issue during the interim period.

There were no dilutive potential ordinary shares during the six months ended 30 June 2020 and 2019 and therefore diluted earnings per share is equivalent to basic earnings per share.

8. INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(a) Right-of-use assets

During the six months ended 30 June 2020, the Group recognised the additions to right-of-use assets of RMB100 million (six months ended 30 June 2019: RMB187 million).

As disclosed in note 2, the Group has early adopted the Amendment to HKFRS 16, *Leases*, *Covid-19-Related Rent Concessions*, and has applied the practical expedient introduced by the Amendment to all eligible rent concessions received by the Group during the period. The Group received rent concessions of RMB52 million for the six months ended 30 June 2020 in the form of a discount on lease payments during the period of severe social distancing and travel restriction measures introduced to contain the spread of COVID-19.

(b) Acquisitions and disposals

During the six months ended 30 June 2020, the Group incurred capital expenditure of RMB632 million (six months ended 30 June 2019: RMB878 million), primarily in respect of new store developments and store remodeling and digitalization. Items of store equipment and construction in progress with a net book value of RMB16 million were disposed during the six months ended 30 June 2020 (six months ended 30 June 2019: RMB27 million), resulting in a loss on disposal of RMB4 million (six months ended 30 June 2019: 25 million) (note 5(c)).

(c) Impairment provision

For the six months period ended 30 June 2020, impairment losses were made against the carrying amount of leasehold improvements and equipment in one store of the Group. The impairment loses of RMB33 million (six months ended 30 June 2019: 14 million) were recognised in "Operating costs".

9. TRADE AND OTHER RECEIVABLES

	At 30 June 2020 *RMB million*	At 31 December 2019 *RMB million*
Trade receivables	**341**	423
Amounts due from related parties	**495**	333
Value-added tax receivables	**575**	1,049
Prepayments:		
– rentals	**623**	345
– property, plant and equipment and intangible assets	**53**	74
Other debtors	**667**	738
Trade and other receivables	**2,754**	2,962

The Group's trade receivables relate to credit card sales and sales through online sales channels, the ageing of which is within one month, and credit sales to corporate customers, the ageing of which is within three months. The ageing of trade receivables is determined based on invoice date.

Rental prepayments mainly represent prepayments for variable rents and deposits which may be offset against future rentals due to landlords of hypermarket premises leased by the Group in accordance with the related lease agreements.

Except for prepayments made for property, plant and equipment and intangible assets which will be transferred to the relevant asset category upon receipt of the assets, all of the trade and other receivables classified as current assets are expected to be recovered within one year.

10. FINANCIAL ASSETS MEASURED AT FVPL

As at 30 June 2020, the Group had principal-guaranteed structured deposits in place with commercial banks in the PRC. Certain structured deposits with aggregate principal amount of RMB1,569 million and a net unrealised gain of RMB10 million are designated as financial assets measured at FVPL as their contractual cash flows are not solely payments for principal and interest.

11. CASH AND CASH EQUIVALENTS

	At 30 June 2020 *RMB million*	At 31 December 2019 *RMB million*
Deposits with banks within three months of maturity	**93**	875
Cash at bank and on hand	**6,544**	4,324
Other financial assets and cash equivalents	**8,386**	8,052
Cash and cash equivalents in the consolidated statement of financial position	**15,023**	13,251

Other financial assets represent investments in short-term financial products issued by banks, with principal guaranteed, fixed or determinable returns and having maturity periods less than three months from date of issue.

12. TRADE AND OTHER PAYABLES

	At 30 June 2020 *RMB million*	At 31 December 2019 *RMB million*
Trade payables	**11,849**	18,267
Amounts due to related parties	**280**	217
Construction costs payable	**802**	902
Dividends payable to non-controlling interests	**202**	202
Accruals and other payables	**5,402**	6,239
	18,535	25,827

All trade and other payables are expected to be settled within one year.

An ageing analysis of trade payables determined based on invoice date is as follows:

	At 30 June 2020 *RMB million*	At 31 December 2019 *RMB million*
Within six months	**11,553**	17,999
After six months but within 12 months	**296**	268
	11,849	18,267

13. LEASE LIABILITIES

The following table shows the remaining maturities of the Group's reasonably certain lease liabilities at the end of the current and previous reporting periods:

	At 30 June 2020		At 31 December 2019	
	Present value of the minimum lease payments *RMB million*	**Total minimum lease payments** *RMB million*	Present value of the minimum lease payments *RMB million*	Total minimum lease payments *RMB million*
Within 1 year	**1,061**	**1,640**	1,057	1,634
After 1 year but within 2 years	**1,073**	**1,530**	1,099	1,563
After 2 years but within 5 years	**2,253**	**3,252**	2,442	3,504
After 5 years	**3,830**	**4,959**	3,970	5,290
	7,156	**9,741**	7,511	10,357
	8,217	**11,381**	8,568	11,991
Less: Total future interest expenses		**(3,164)**		(3,423)
Present value of lease liabilities		**8,217**		8,568

14. CONTRACT LIABILITIES

	At 30 June 2020 *RMB million*	At 31 December 2019 *RMB million*
Prepaid cards	**9,817**	9,944
Advance receipts from customers for sales of merchandise	**183**	705
Customer loyalty program points liability	**25**	20
Contract liabilities	**10,025**	10,669

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue is derived from sales of goods and rental income from tenants. Revenue from sales of goods is primarily derived from the brick-and-mortar stores and online sales channels where merchandise, mainly food, groceries, textile and general goods, are made available for sale. Revenue from sales of goods is net of value added tax and other applicable sales taxes after deducting any trade discounts. Rental income from tenants is derived from renting gallery space in brick-and-mortar stores complexes to operators of businesses that the Group believes are complementary to the stores.

The following table sets forth a breakdown of the revenue from sales of goods and rental income for the periods indicated:

	Six months ended 30 June		
	2020	2019	Change
	(RMB million)	*(RMB million)*	
Revenue	**53,170**	50,586	5.1%
– *Revenue from sales of goods*	***51,494***	*48,522*	*6.1%*
– *Rental income from tenants*	***1,676***	*2,064*	*(18.8)%*

For the six months ended 30 June 2020, revenue from sales of goods was RMB51,494 million, representing an increase of RMB2,972 million, or 6.1%, from RMB48,522 million for the corresponding period in 2019.

For the six months ended 30 June 2020, the Same Store Sales Growth[(1)] ("**SSSG**") calculated based on sales of goods excluding electronic appliances was 5.7%. The Group's online Business to Customer (the "**B2C**") business, primarily through Taoxianda and Tmall platform, achieved significant progress and contributed to the Group's sales growth.

During the period from 1 July 2019 to 30 June 2020, the Group continued to expand in various areas of China and opened six new stores with five in the second half of 2019 and one in the first half of 2020, respectively. The new stores brought additional sales of goods in the first half of 2020.

For the six months ended 30 June 2020, revenue from rental income was RMB1,676 million, representing a decrease of RMB388 million, or 18.8%, from RMB2,064 million for the corresponding period in 2019. The rental income was impacted by COVID-19 since some of the Group's tenants renting the Group's gallery space suspended their operations during the pandemic period. The rental income from those tenants was waived during this period.

Notes:

(1) Same store sales growth: the growth rate of sales of the stores opened before 30 June 2019. It is calculated by comparing the sales derived from those stores during their operating periods in first half of 2020 with sales during the corresponding periods in 2019.

Gross Profit

For the six months ended 30 June 2020, gross profit was RMB13,054 million, representing a decrease of RMB134 million, or 1.0%, from RMB13,188 million for the corresponding period in 2019. The gross profit margin for the six months ended 30 June 2020 was 24.6%, representing a decrease of 1.5 percentage point from 26.1% for the corresponding period in 2019. The decrease in gross profit was mainly due to less rental income collected in the first half of 2020.

Other Income

Other income consists of income from the release of aged unutilised balances on prepaid cards, service income, income from disposal of packaging materials, interest income, government grants and other miscellaneous income.

For the six months ended 30 June 2020, other income was RMB904 million, representing an increase of RMB107 million, or 13.4%, from RMB797 million for the corresponding period in 2019. The increase was primarily attributable to an increase of RMB136 million in government grants. Government subsidies, which related to employment stabilisation, were received during the pandemic period. This increase was partially offset by a decrease of RMB55 million in income from the recognition of aged unutilised balances on prepaid cards.

Operating Costs

Operating costs represent the costs attributable to the operations of the stores and online business. Operating costs primarily consist of personnel expenses, operating lease charges, expenses for utilities, maintenance, advertising, shuttle bus services and cleaning, together with the depreciation of property, plant and equipment.

For the six months ended 30 June 2020, operating costs were RMB9,387 million, representing a decrease of RMB174 million, or 1.8%, from RMB9,561 million for the corresponding period in 2019. The continuous development of the business including the on-going expansion of the brick-and-mortar store network and the development of the O2O business required investment in personnel and other related projects. The Group also followed government guidance on the increase in the minimum wage for staff. These developments brought additional operating costs. In the first half of 2020 during the pandemic period, the government announced the reduction and exemption in the payment of certain social welfare items, which resulted in a decrease in social welfare costs.

Expressed as a percentage, the amount of operating costs for the period ended 30 June 2020 as of revenue in the first half of 2020 was 17.7%, representing a decrease of 1.2 percentage point from 18.9% for the corresponding period in 2019.

Administrative Expenses

Administrative expenses primarily consist of personnel expenses, travelling expenses, depreciation of property, plant and equipment and other expenses for the administrative departments. For the six months ended 30 June 2020, administrative expenses were RMB1,225 million, representing a decrease of RMB185 million, or 13.1%, from RMB1,410 million for the corresponding period in 2019. The integration between the two banners improved the headoffice efficiency and helped reduce administrative expenses at the headquarters.

Expressed as a percentage, the amount of administrative expenses for the period ended 30 June 2020 as of the revenue for the first half of 2020 was 2.3%, representing a decrease of 0.5 percentage point, from 2.8% of the corresponding period in 2019.

Profit from Operations

For the six months ended 30 June 2020, the profit from operations was RMB3,346 million, representing an increase of RMB332 million, or 11.0%, from RMB3,014 million for the corresponding period in 2019. The operating margin during the six months ended 30 June 2020 was 6.3%, an increase of 0.3 percentage point, from 6.0% of the corresponding period in 2019. The integration between the two banners, starting from 2019, helped to increase the productivity of the Group's stores and improve the performance.

Finance Costs

Finance costs primarily consist of the interest expenses on borrowings and lease liabilities. For the six months ended 30 June 2020, the finance costs were RMB286 million, representing a decrease of RMB28 million, or 8.9%, from RMB314 million for the corresponding period in 2019. The decrease was in line with the reduced balance of lease liabilities.

Income Tax

For the six months ended 30 June 2020, income tax expense was RMB871 million, representing an increase of RMB79 million, or 10.0%, from RMB792 million for the corresponding period in 2019.

The related effective tax rate for the six months ended 30 June 2020 was 28.4%, a decrease of 1.0 percentage point from 29.4% for the corresponding period in 2019. The decrease in effective tax rate was attributable to the utilisation of previously unrecognised tax losses generated by certain legal entities, which were established in prior years since those legal entities continued generating profits to recover those losses.

Profit for the Period

For the six months ended 30 June 2020, profit for the period was RMB2,191 million, representing an increase of RMB292 million, or 15.4%, from RMB1,899 million for the corresponding period in 2019.

The net profit margin for the six months ended 30 June 2020 was 4.1%, an increase of 0.3 percentage points, from 3.8 % of the corresponding period in 2019. The increase in net profit margin was mainly from the higher operating margin and the improved effective tax rate.

Profit Attributable to Equity Shareholders of the Company

For the six months ended 30 June 2020, the profit attributable to equity shareholders of the Company was RMB2,062 million, representing an increase of RMB296 million, or 16.8%, from RMB1,766 million for the corresponding period in 2019.

Profit Attributable to Non-Controlling Interests

For the six months ended 30 June 2020, the profit attributable to non-controlling interests was RMB129 million, representing a decrease of RMB4 million, or 3.0%, from RMB133 million for the corresponding period in 2019. The profit attributable to non-controlling interests represented (i) interests in ACI and CIC from the Auchan Scheme and RT-Mart Scheme, (ii) the interest held by independent third parties in two of the subsidiaries, People's RT-Mart Limited Jinan and Fields Hong Kong Limited ("**Fields HK**"); (iii) the interest held by Oney Bank S.A. ("**Oney Bank**") in Oney Accord Business Consulting (Shanghai) Co., Ltd. ("**Oney Accord**"); and (iv) the interest held by Hema (China) Co., Ltd. in Shanghai Runhe Internet Technology Co., Ltd.

Liquidity and Financial Resources

For the six months ended 30 June 2020, cash flow generated from operating activities was RMB5,724 million, representing an increase of RMB3,293 million, or 135.5%, from RMB2,431 million for the corresponding period in 2019.

As of 30 June 2020, net current liabilities decreased to RMB1,249 million from RMB3,290 million as of 31 December 2019. This decrease was primarily attributed to (i) a decrease in the current assets of RMB5,874 million, related to the reduced stock level as at 30 June 2020; and (ii) a decrease in current liabilities of RMB7,915 million mainly from the decreased balance of trade payables of RMB6,418 million. The decrease in current liabilities was greater than the decrease in current assets, which resulted in a decrease to the net current liabilities.

For the six months ended 30 June 2020, the inventory turnover days and trade payable turnover days, calculated on average balances of inventories and trade payables, together with the cost of inventories during past 12 months, were 59 days and 76 days, respectively, compared to 54 days and 84 days restated for the corresponding period of 2019.

Investing activities

For the six months ended 30 June 2020, cash flow used in investing activities was RMB2,016 million, representing an increase of RMB927 million, or 85.1%, from RMB1,089 million for the six months ended 30 June 2019.

The cash flow used in investing activities mainly reflected: 1) the addition of fixed assets and intangible assets of RMB632 million in respect of the development of new stores and the remodeling and digitalization of existing stores, as well as the settlement of capital expenditure incurred in 2019 of RMB79 million; 2) the net investment in financial instruments measured at FVPL of RMB1,569 million.

Financing activities

For the six months ended 30 June 2020, cash flow used in financing activities was RMB1,936 million, with a decrease of RMB96 million, or 4.7%, from RMB2,032 million for the six months ended 30 June 2019.

BUSINESS REVIEW

Operating Environment

In the first half of 2020, due to the impact of COVID-19, China's gross domestic product ("**GDP**") in the PRC decreased by 1.6% to approximately RMB45,661.4 billion. The GDP for the second quarter of 2020 grew by 3.2% year on year, better than the expected growth of 2.4%, and that for the first quarter declined by 6.8%. The overall consumer price index ("**CPI**") was up by 3.8% compared to the first half of 2019, of which the food CPI was up by 16.2%.

The facts that pork production was seriously under-capacity and imports decreased (a few cases of COVID-19 infections have occurred in several overseas meat-processing factories since the global pandemic outbreak), resulted in a tight pork supply and a significant increase of pork CPI by 104.3%. This also caused an increase of meat CPI by 70.5%, of which beef CPI increased by 20.2% and lamb CPI increased by 11.1%. The non-food CPI observed a minimal increase of 0.7%.

As the pandemic came under control, consumption gradually resumed. Total retail sales of consumer goods in China amounted to RMB17,225.6 billion for the six months ended 30 June 2020, representing a year-on-year decline of 11.4%. The decline has narrowed month by month.

Sales of catering services amounted to RMB1,460.9 billion, representing a decrease of 32.8%. National online retail sales reached RMB5,150.1 billion, increasing by 7.3% compared to the corresponding period last year. Online physical goods retail sales for the six months ended 30 June 2020 amounted to RMB4,348.1 billion, representing an increase of 14.3%, contributed to more than a quarter of total retail sales amounting to 25.2%.

Formation of customers' online consumption mindset accelerated, and delivery-to-home business continued to grow with steady steps

The outbreak of COVID-19 in 2020 accelerated the formation of customers' online shopping mindset, and quickened the arrival of digital transformation. The proportion of the Group's online business to total revenue further expanded. B2C business has contributed more to the total revenue than the B2B business.

– B2C Business –

During the pandemic in 2020, Fresh food online players have experienced significant growth. Customers appeared to switch to online shopping mode. In addition, offline retailers speeded up the establishment of their online capability. As a result, competition of Fresh food e-commerce intensified further. Nevertheless, the Group's daily order per store ("**DOPS**") and online proportion continued to increase steadily in such a complex and changeable competitive environment.

In the first quarter ("**Q1**") and second quarter ("**Q2**") of 2020, the online DOPS was more than 750 and 950 respectively.

On the day of the 6·18 promotion, DOPS leaped to more than 1,750, and ticket size was more than RMB70. Meanwhile, the Group doubled the total revenue and total orders of the B2C business compared to that of the same day last year. In addition, the Group set a new record exceeding the previous peak that was created on "double 11" in 2019.

Owing to the effective control of the pandemic, society gradually re-opened and returned to work. Despite the Group's ticket size of B2C business being normalized, falling back from RMB85 in Q1 to RMB68 in Q2, it was still above the Group's expectation. With the expansion of ticket size and order density, B2C's unit economics was further optimized and profitability was further improved.

As of the date of this announcement, the number of B2C users reached nearly 50 million and the number of active users reached nearly 13 million. Please refer to note 1 below for definitions of active users.

– B2B Business –

B2B business was affected by the shutdown and closure of many businesses amid the pandemic, and the performance was below the Group's expectation. However, B2B business has progressively recovered. As of 30 June 2020, B2B business realized a mid-single-digit growth compared to the same period of 2019. The number of existing users and active users was more than 600,000 and 250,000 respectively. Please refer to note 1 below for definitions of active users.

The Group will continue to provide value-added products for all kinds of B2B clients by leveraging the supply chain and covering a full range of categories. As of 30 June 2020, fresh products contributed to approximately 32% of the total B2B revenue.

Tmall supermarket inventory sharing, and community group purchase

– Tmall supermarket inventory sharing –

Tmall supermarket inventory sharing refers to one-hour-delivery of Tmall Supermarket ("**Tmall one-hour-delivery**") orders within a five-kilometer radius and half-day-delivery of Tmall Supermarket ("**Tmall half-day-delivery**") applicable to a catchment area within a five to twenty kilometers radius. These two are collectively referred to as Tmall supermarket inventory sharing.

At present, all stores of the Group can provide Tmall one-hour-delivery service. There are 180 stores available for Tmall half-day-delivery service and therefore, basically each city will roll out one selected store for the half-day initiative.

The Tmall supermarket inventory sharing initiative is still at a pilot stage, and orders continued to increase month by month.

– Community group purchase –

The Group began to collaborate with Cainiao in terms of a community group purchase initiative ("**Group purchase**") last year. At present, more than 3,000 Cainiao pick-up stations across 16 cities have rolled out this service. Customers can place an order on day one and collect the delivery at Cainiao stations on day two.

By leveraging the Group's supply chain, it provides Cainiao stations with added value in terms of retail service. In addition, it also provides a new shopping scenario to customers.

Notes:

(1) Active users of B2C or B2B business: Customers who were used to purchase via the Group's B2C or B2B platforms at least once during two consecutive months.

Continued implementation of the remodeling initiative

In the first half of 2020, the remodeling initiative was delayed due to the pandemic outbreak. However, the Group has restarted the remodeling of planned stores since March 2020. As of 30 June 2020, construction started for more than 20 stores, of which nine stores are located in Eastern China.

By the end of June 2020, five stores have been remodeled. In some planned stores, the remodeling focused on not only the in-store shopping environment, but also the upgrade of galleries. The Group expects to provide customers with a completely new shopping experience.

Generally speaking, the remodeling features an upgrade of the stores' shopping environment. In fact, bettering the offerings is the most important part of this remodeling. The change of offerings is not only presented in the remodeling stores but also synchronized to all stores. The aim of remodeling is to leverage the Group's core competencies such as products, prices and services to encourage the customers find the reasons to return to the brick-and-mortar stores again.

Kick-off of multi-format store expansion mode

2020 is the first year of the Group's multi-format expansion mode. In recent years, brick-and-mortar stores have been impacted by e-commerce and peer competition, and the catchment areas have been shrinking. Meanwhile, the customers are demanding ever more convenience in shopping. Therefore, expanding store footprints by opening smaller and community-based formats is an inevitable direction of development.

This year, the Group expects to open approximately ten hypermarkets, two to three supermarkets and 30 mini stores. The expansion of the store network will further shorten the travel distance for customers. Supermarkets and mini-stores will center on fresh products and Fast Moving Consumer Goods ("**FMCG**"), and reduce or omit home appliances, apparel and some other categories.

In the future, supermarkets and mini stores will become the key drivers of the Group's store expansion.

Integration plays a prominent part to drive the growth of the Group's revenue and profit

In 2019, the Group integrated the headquarters, supply chain, assortment and distribution centers of the two banners RT-Mart and Auchan.

Meanwhile, the steady decline of fresh goods wastage under the Auchan banner has gradually decreased to a reasonable level. In addition, the synergies among departments became more evident and controllable costs were further optimized. As of 30 June 2020, the performance of Auchan stores has been significantly improved.

DOPS of B2C business under the Auchan banner has improved. The growth of DOPS has caught up with RT-Mart. This has enhanced employees' efficiency and greatly improved the profit earning of its B2C business.

Expansion Status

During the six months ended 30 June 2020 under review, the Group opened one supermarket under the RT-Mart banner in Eastern China, with a business area of more than 5,000 square meters. During the period under review, the Group closed three loss-making stores, and all were located in Eastern China.

As of 30 June 2020, the Group had a total of 481 hypermarkets and three supermarkets in China with a total gross floor area ("**GFA**") of approximately 12.97 million square meters. Approximately 69.9% of the GFA was operated as leased space, 29.8% of the GFA was in self-owned properties and 0.3% of the GFA was in contracted stores. Please refer to note 2 below for definitions of regional zones.

As of 30 June 2020, approximately 7.6% of the Group's stores were located in first-tier cities, 16.1% in second-tier cities, 46.5% in third-tier cities, 21.7% in fourth-tier cities and 8.1% in fifth-tier cities. Please refer to note 3 below for definitions of tiers.

As of 30 June 2020, through the execution of lease contracts or acquisition of land plots, the Group had identified and secured 43 sites to open hypermarkets, of which 37 were under construction.

In addition, the Group plans to open two to three supermarkets as well as 30 mini stores in the second half of this year.

	Number of *Brick-and-Mortar Stores (As of 30 June 2020)				Total GFA of * Brick-and-Mortar Stores (sq.m.) (As of 30 June 2020)			
Region	**Supermarket**	**Hypermarket**	**Total**	**Percentage**	**Supermarket**	**Hypermarket**	**Total**	**Percentage**
Eastern China	**2**	**188**	**190**	**39%**	**32,945**	**5,397,803**	**5,430,748**	**42%**
Northern China	**1**	**49**	**50**	**10%**	**10,283**	**1,236,543**	**1,246,826**	**10%**
Northeastern China	**–**	**52**	**52**	**11%**	**–**	**1,446,005**	**1,446,005**	**11%**
Southern China	**–**	**90**	**90**	**19%**	**–**	**2,188,522**	**2,188,522**	**17%**
Central China	**–**	**76**	**76**	**16%**	**–**	**1,933,517**	**1,933,517**	**15%**
Western China	**–**	**26**	**26**	**5%**	**–**	**719,759**	**719,759**	**5%**
Total	**3**	**481**	**484**	**100%**	**43,228**	**12,922,149**	**12,965,377**	**100%**

* *Brick-and-Mortar Stores include 481 hypermarkets and three supermarkets*

Notes:

(2) The Group adopts the following regional zoning according to the national regional economic planning guidelines:

Eastern China:	Shanghai City, Zhejiang Province, Jiangsu Province
Northern China:	Beijing City, Tianjin City, Shandong Province, Hebei Province, Shanxi Province, Inner Mongolia Autonomous Region (West)
Northeastern China:	Jilin Province, Liaoning Province, Heilongjiang Province, Inner Mongolia Autonomous Region (North)
Southern China:	Guangdong Province, Guangxi Zhuang Autonomous Region, Fujian Province, Hainan Province, Yunnan Province, Guizhou Province
Central China:	Anhui Province, Hunan Province, Hubei Province, Henan Province, Jiangxi Province
Western China:	Sichuan Province, Gansu Province, Shaanxi Province, Chongqing City, Ningxia Hui Autonomous Region

(3) City tiers were classified according to the following standards:

First-tier cities:	Municipalities under the direct jurisdiction of the central government and Guangzhou City
Second-tier cities:	Provincial capitals and sub-provincial cities
Third-tier cities:	Prefecture-level cities
Fourth-tier cities:	County-level cities
Fifth-tier cities:	Townships and towns

Human Resources

As of 30 June 2020, the Group had 142,584 employees.

During the 2020 pandemic, the Group adopted a series of health measures and to promptly provided employees with the necessary protective equipment. The Group closely monitored the health status of the employees across the country. The health and safety of the employees was a top priority of the Group at all time during the pandemic. This also protected our stores and customers and fully reflected the Group's "people-oriented" culture and social responsibility.

During the pandemic, the infection rate of employees was about 1 in 10,000.

Outlook

2020 is destined to be an extremely unusual year. The development of customers' online shopping behavior has been accelerated by the pandemic. This vindicated the Group's strategy in terms of digital transformation two years ago. It was correct, far-sighted and opportune. Opportunities are always coexisting with crises. We believe that online competition will further intensify after the pandemic. In order to keep staying in a winning position, it requires us to continue to think from the perspective of customers, and to provide good products with good prices and services through omni-channels and multi-formats, thus creating a seamless shopping experience for the customers.

We are delighted that, after years of development, transformation and accumulation, the Group has returned to a growth trajectory. In the past three years, the Group has reached several milestone events, notably the strategic alliance with Alibaba in 2017, opening a new chapter of delivery-to-home service when the Taoxianda initiative was rolled out to all the Group's stores in 2018, and the execution of business integration in 2019. The Group has the best partner, the best resources and the best foundation. We cannot and will not stand still. We have reasons to believe that the Group will continue to break new ground and achieve further progress.

OTHER INFORMATION

Corporate Governance

The Board is committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has devised its own Corporate Governance and Compliance Manual which incorporates all the principles and practices as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules.

The Company reviews regularly its organizational structure to ensure operations are in line with the good corporate governance practices as set out in the CG Code and align with the latest developments.

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code for the six months ended 30 June 2020, save and except for the deviation of code provision C.3.7(a) of the CG Code.

Code provision C.3.7(a) provides that under the terms of reference of the Audit Committee, the Audit Committee should review arrangements that can be used by the employees in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

The Company had not established any formal arrangement for employees to raise concern about possible improprieties in financial reporting, internal control or other matters. However, in practice, employees have direct access to the internal audit department via either a telephone line or a mailbox. In addition, they have direct access by email to the Executive Director and the senior management. The Directors regularly receive and review monthly financial reports. The Directors, through the Audit Committee, meet quarterly with the Group's internal audit function, whose main responsibility is to review the internal control system of the Group. The Directors consider that the lack of such arrangements will not have a material effect on the functions of financial reporting, internal control or other related matters. The internal audit department, the Audit Committee and the Board will discuss proper actions to deal with any issue reported by any employee about improprieties in financial reporting, internal control and other matters.

Audit Committee

The Company established the Audit Committee on 27 June 2011 with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to assist the Board in overseeing and reviewing (i) the effectiveness of the Company's risk management and internal control systems and regulatory compliance of the Group; (ii) the balance, transparency and integrity of the Company's financial statements and application of financial reporting principle; (iii) the relationship with the external auditors and their independence assessments; and (iv) the effectiveness of the Company's internal audit function. The Audit Committee currently consists of six Non-executive Directors, four of whom are independent. The members currently are Mr. Xavier, Marie, Alain DELOM de MEZERAC, Mrs. Isabelle, Claudine, Françoise BLONDÉ ép. BOUVIER, Ms. Karen Yifen CHANG, Mr. HE Yi, Mr. Dieter YIH and Mr. Desmond MURRAY, an Independent Non-executive Director, being the Chairman of the Audit Committee. The Audit Committee has reviewed and discussed the unaudited consolidated financial statements for the six months ended 30 June 2020 which have been prepared in accordance with the applicable standards, the Listing Rules and the statutory provisions and sufficient disclosure have been made. The Audit Committee has met with the external auditors, KPMG, who have reviewed the interim financial statements in accordance with Hong Kong Standard on Review Engagement 2410.

Nomination Committee

The Company established a nomination committee (the "**Nomination Committee**") on 27 June 2011 with written terms of reference in compliance with the CG Code. The primary duties of the Nomination Committee are to (i) review the structure, size and composition of the Board pursuant to the Diversity Policy adopted by the Board, (ii) identify individuals suitably qualified to become Board members, (iii) make recommendations to the Board on the selection of individuals nominated for directorships, and (iv) assess the independence of Independent Non-executive Directors pursuant to the Listing Rules and the nomination policy adopted by the Board. The Nomination Committee currently consists of seven Non-executive Directors, four of whom are independent. The members currently are Mr. Edgard, Michel, Marie BONTE, Mr. CHEN Jun, Mrs. Isabelle, Claudine, Françoise BLONDÉ ép. BOUVIER, Ms. Karen Yifen CHANG, Mr. Desmond MURRAY, Mr. Dieter YIH and Mr. HE Yi, an Independent Non-executive Director, being the Chairman of the Nomination Committee.

Remuneration Committee

The Company established a remuneration committee (the "**Remuneration Committee**") on 27 June 2011 with written terms of reference in compliance with the CG Code. The primary duties of the Remuneration Committee are to (i) review and make recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and senior management and (ii) establish a formal and transparent procedure for developing policy on such remuneration. The Remuneration Committee currently consists of seven Non-executive Directors, four of whom are independent. The members currently are Mr. Edgard, Michel, Marie BONTE, Mr. CHEN Jun, Mrs. Isabelle, Claudine, Françoise BLONDÉ ép. BOUVIER, Mr. Desmond MURRAY, Mr. HE Yi, Mr. Dieter YIH and Ms. Karen Yifen CHANG, an Independent Non-executive Director, being the Chairman of the Remuneration Committee.

Securities Transactions by Directors

The Company has adopted its own code of conduct regarding Directors' and relevant employees' dealings in the Company's securities (the "**Company Code**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code and the Company Code throughout the six months ended 30 June 2020.

Purchase, Sale and Redemption of the Company's Listed Securities

During the six months ended 30 June 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Dividends

At the board meeting held on 12 August 2020, no dividend for the six months ended 30 June 2020 has been declared.

Publication of 2020 Interim Results and Interim Report of the Company

The interim results announcement of the Company is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sunartretail.com). The Interim Report of the Company for the six months ended 30 June 2020 will be dispatched to the shareholders of the Company and made available for review on the aforesaid websites in due course.

By Order of the Board
Sun Art Retail Group Limited
HUANG Ming-Tuan
Executive Director and Chief Executive Officer

Hong Kong, 12 August 2020

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

Executive Director:
HUANG Ming-Tuan *(Chief Executive Officer)*

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

Independent Non-executive Directors:
Karen Yifen CHANG
Desmond MURRAY
HE Yi
Dieter YIH