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SUN ART
Retail Group Limited

TAOBAO CHINA HOLDING LIMITED SUN ART RETAIL GROUP LIMITED
淘寶中國控股有限公司 高鑫零售有限公司
(incorporated in Hong Kong with limited liability) (incorporated in Hong Kong with limited liability)
(Stock Code: 06808)

JOINT ANNOUNCEMENT

**DELAY IN DESPATCH OF THE COMPOSITE DOCUMENT
IN RELATION TO THE MANDATORY UNCONDITIONAL CASH OFFER BY
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG
SECURITIES LIMITED ON BEHALF OF
TAOBAO CHINA HOLDING LIMITED
TO ACQUIRE ALL OF THE ISSUED SHARES IN
SUN ART RETAIL GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED OR
AGREED TO BE ACQUIRED BY TAOBAO CHINA HOLDING LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



NOTICE TO US HOLDERS OF SHARES

The Offer is being made for the securities of a company incorporated in Hong Kong with limited liability and is subject to Hong Kong disclosure requirements, which are different from those of the United States. The Offer will be made in the United States pursuant to the applicable U.S. tender offer rules or an available exemption therefrom and otherwise in accordance with the requirements of the SFO. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws.

In accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Offeror hereby discloses that it or its affiliates, or its nominees, or their respective brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Shares outside of the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. In accordance with the Takeovers Code and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, CICC, and some of its affiliates may continue to act as exempt principal traders and exempt fund managers in the Shares on the Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that any such purchase or arrangement complies with applicable law and the Takeovers Code and is made outside the United States. Any information about such purchases will be reported to the SFC and, to the extent required to be publicly disclosed under the Takeovers Code, will be available on the website of the SFC at <http://www.sfc.hk>.

The receipt of cash pursuant to the Offer by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each U.S. holder of Shares is urged to consult his/her/its independent professional advisor immediately regarding the tax consequences of acceptance of the Offer.

U.S. holders of Shares may encounter difficulty enforcing their rights and any claims arising out of the U.S. federal securities laws, as each of the Offeror parent, the Offeror and the Company is located in a country outside the United States, and some or all of their respective officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, U.S. holders of Shares may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

INTRODUCTION

Reference are made to (i) the joint announcement issued by the Offeror and the Company dated 18 October 2020 (the “**Rule 3.5 Joint Announcement**”) in relation to, among other things, the SPA and the Offer, and (ii) the joint announcement issued by the Offeror and the Company in relation to the SPA Completion dated 19 October 2020. Unless the context requires otherwise, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Rule 3.5 Joint Announcement.

EXTENSION OF TIME FOR DESPATCH OF COMPOSITE DOCUMENT

As stated in the Rule 3.5 Joint Announcement, it is the intention of the Offeror and the Company to combine the offer document from the Offeror and the offeree board circular from the Company into a Composite Document.

Pursuant to Rule 8.2 of the Takeovers Code, unless the Executive's consent is obtained, the Composite Document containing, among others, the terms and details of the Offer, should normally be despatched within 21 days from the date of the Rule 3.5 Joint Announcement or such later date as may be permitted by the Takeovers Code and approved by the Executive.

As additional time is required to finalise certain information to be included in the Composite Document, including the property valuation report, hence an application has been made to the Executive pursuant to Rule 8.2 of the Takeovers Code for its consent to extend the deadline for the despatch of the Composite Document to a date falling on or before 18 November 2020, and the Executive has indicated that it is minded to grant its consent for such extension.

Further announcement(s) will be made by the Offeror and the Company as and when appropriate in compliance with the Takeovers Code when the Composite Document is despatched.

On behalf of the board
Taobao China Holding Limited
ZHANG Jinwei
Director

On behalf of the Board
Sun Art Retail Group Limited
HUANG Ming-Tuan
Chairman and Chief Executive Officer

Hong Kong, 9 November 2020

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

Executive Director:

HUANG Ming-Tuan (Chief Executive Officer and Chairman)

Non-executive Directors:

ZHANG Yong
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

The Directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Offeror or any of its associates or parties acting in concert) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by directors of the Offeror and its concert parties but including those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are Mr. ZHANG Jinwei, Mr. YAO Michael Yuen Jen and Mr. YIP Pak Tung, Jason.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group, the Sellers, Kofu, CGC or any of their associates or parties acting in concert with them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.