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SUN ART RETAIL GROUP LIMITED

高鑫零售有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 06808)

ANNOUNCEMENT IN RELATION TO

- (1) RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR;**
- (2) APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR;**
- AND**
- (3) CHANGE OF COMPOSITION OF AUDIT COMMITTEE, NOMINATION COMMITTEE AND REMUNERATION COMMITTEE**

This announcement is made pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Sun Art Retail Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that with effect from 31 January 2021 (1) Mr. Desmond MURRAY (“**Mr. Murray**”) has resigned as an Independent non-executive Director of the Company and the chairman of the audit committee (the “**Audit Committee**”), and a member of the nomination committee (the “**Nomination Committee**”) and the remuneration committee (the “**Remuneration Committee**”) of the Company; (2) Mr. HE Yi (“**Mr. He**”) has resigned as an Independent non-executive Director of the Company and the chairman of the Nomination Committee, and a member of the Audit Committee and the Remuneration committee of the Company; (3) Mr. Charles Sheung Wai CHAN (“**Mr. Chan**”) has been appointed as an Independent non-executive Director, and the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee of the Company; and (4) Mr. Dieter YIH (“**Mr. Yih**”) has been appointed as the chairman of the Nomination Committee of the Company.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board announces that with effect from 31 January 2021, each of Mr. Murray and Mr. He has resigned as an Independent non-executive Director of the Company in order to pursue other personal and business commitments. Each of Mr. Murray and Mr. He has confirmed that he has no disagreement with the Board. There are no other matters in relation to each of their resignation as Independent non-executive Director which need to be brought to the attention of the shareholders of the Company or the Stock Exchange.

The Board would like to express its sincere gratitude to Mr. Murray and Mr. He for their valuable contributions to the Company during their tenure of service.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board is pleased to announce that with effect from 31 January 2021, Mr. Chan has been appointed as an Independent non-executive Director of the Company. The biographical details of Mr. Chan are as follows:

Mr. CHAN Charles Sheung Wai (陳尚偉), aged 66, has more than 40 years of experience in corporate finance, financial regulations and risk management. Mr. Chan started his career as an auditor at the Canadian office of Arthur Andersen in 1977 and was promoted to partnership in 1988. He subsequently joined the China & Hong Kong office of Arthur Andersen as an audit partner in 1994. From July 2002 to June 2012, Mr. Chan was a partner of the China & Hong Kong office of PricewaterhouseCoopers. Mr. Chan served as a member of the Listing Committee of the Hong Kong Stock Exchange from 1998 to 2001 and also as a member of the Election Committee for the first Legislative Council of Hong Kong in 1998. From 1996 to 1999, Mr. Chan was a council member of the Hong Kong Institute of Certified Public Accountants. He also served as a member of the Accounting Standards Committee, Auditing Standards Committee and the chairman of the China Technical Committee of the Hong Kong Institute of Certified Public Accountants.

Mr. Chan has been an independent non-executive director of SRE Group Limited (Hong Kong Stock Exchange Stock Code: 1207), Maoyan Entertainment (Hong Kong Stock Exchange Stock Code: 1896) and Hansoh Pharmaceutical Group Company Limited (Hong Kong Stock Exchange Stock Code: 3692) since July 2012, January 2019 and June 2019, respectively, and was an independent director of Changyou.com Ltd (NASDAQ Stock Code: CYOU) between September 2013 and April 2020 and an independent non-executive director of CITIC Securities Company Limited (Hong Kong Stock Exchange Stock Code: 6030) between May 2016 and May 2019.

In May 1977, Mr. Chan obtained a Bachelor of Commerce degree from the University of Manitoba, in Canada. He is a member of both the Chartered Accountants of Canada and the Hong Kong Institute of Certified Public Accountants.

Mr. Chan will enter into an appointment letter for a term of three years with effect from the date of this announcement and will be subject to retirement by rotation and re-election and other related provisions as stipulated in the articles of association of the Company and the Listing Rules. The director's fee of Mr. Chan will be determined by the Board based on the recommendation of the remuneration committee of the Company with reference to the Company's remuneration policy applicable to his position in the Group.

Save as disclosed above, as at the date of this announcement, Mr. Chan has not held any other positions with the Company or other members of the Group. Save as disclosed above and as at the date of this announcement, Mr. Chan does not (i) have any directorships in any other listed company in the last three years; and (ii) have any relationship with any Director, senior management, substantial or controlling shareholders (having the meaning ascribed to it in the Listing Rules) of the Company, and is not interested in any shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, there is no further information required to be disclosed pursuant to the requirements of Rules 13.51(2)(a) to 13.51(2)(v) of the Listing Rules and there are no other matters relating to the appointment of Mr. Chan that need to be brought to the attention of the Stock Exchange or the shareholders of the Company.

The Board would like to take this opportunity to welcome Mr. Chan in joining the Board.

**CHANGE OF COMPOSITION OF AUDIT COMMITTEE, NOMINATION COMMITTEE
AND REMUNERATION COMMITTEE**

As a result of the resignation of Mr. Murray and Mr. He and appointment of Mr. Chan as Directors, with effect from the date of this announcement, Mr. Chan has been appointed as the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee.

Further, Mr. Yih has been appointed as the chairman of the Nomination Committee.

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

Hong Kong, 31 January 2021

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

Executive Director:

HUANG Ming-Tuan (*Chairman and Chief Executive Officer*)

LIN Xiaohai

Non-Executive Directors:

LI Yonghe

XU Hong

Independent Non-Executive Directors:

Karen Yifen CHANG

Charles Sheung Wai CHAN

Dieter YIH