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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)

(1) CHANGE OF NON-EXECUTIVE DIRECTORS; (2) CHANGE OF CHAIRMAN; AND (3) CHANGE OF COMPOSITION OF BOARD COMMITTEES

References are made to (i) the joint announcement dated 31 December 2024 issued by Paragon Shine Limited (the “**Offeror**”) and Sun Art Retail Group Limited (the “**Company**”) pursuant to Rule 3.5 of the Takeovers Code in relation to, among other things, the possible mandatory unconditional cash offers to be made by Deutsche Bank and UBS for and on behalf of the Offeror to acquire all the issued Shares of the Company (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) and to cancel all outstanding Options of the Company (the “**Rule 3.5 Announcement**”); and (ii) the joint announcement dated 27 February 2025 issued by the Offeror and the Company in relation to occurrence of the SPA Completion. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Rule 3.5 Announcement.

RESIGNATION OF NON-EXECUTIVE DIRECTORS

The board of directors (“**Board**”) of the Company announces that:

- (1) Ms. QIN Yuehong (“**Ms. Qin**”) has resigned as a non-executive Director and a member of each of the Audit Committee, Nomination Committee and the Remuneration Committee of the Company with effect from the SPA Completion Date;
- (2) Mr. HAN Liu (“**Mr. Han**”) has resigned as a non-executive Director with effect from the SPA Completion Date; and
- (3) Mr. HUANG Ming-Tuan (“**Mr. Huang**”) will resign as the Chairman of the Board with effect immediately after the posting of the Composite Document, but will remain as a non-executive Director and a member of each of the Nomination Committee and the Remuneration Committee of the Company until the first Closing Date to comply with the requirements under Rule 7 of the Takeovers Code and to discharge his duties as a member of the Independent Board Committee. Mr. Huang will resign as a non-executive Director and a member of each of the Nomination Committee and the Remuneration Committee of the Company with effect from the first Closing Date.

The resignations of Ms. Qin, Mr. Han and Mr. Huang (collectively, the “**Outgoing Directors**”) were due to change in control of the Company after the SPA Completion and the wishes of the Outgoing Directors to focus on personal affairs and other business engagements.

Each of the Outgoing Directors has confirmed that he/she has no disagreement with the Board and there are no matters in respect of his/her resignation that need to be brought to the attention of the Shareholders, the Stock Exchange or other regulatory authorities.

The Board would like to take this opportunity to express its appreciation to the Outgoing Directors for their invaluable contribution to the Group during their tenure of office.

APPOINTMENT OF NON-EXECUTIVE DIRECTORS

The Board further announces that:

- (1) Mr. Julian Juul WOLHARDT (“**Mr. Wolhardt**”) will be appointed as the Chairman of the Board, a non-executive Director and a member of the Remuneration Committee of the Company with effect immediately after the posting of the Composite Document;
- (2) Ms. Guannan WANG (“**Ms. Wang**”) will be appointed as a non-executive Director and a member of the Nomination Committee of the Company with effect immediately after the posting of the Composite Document; and
- (3) Ms. Mengxue MEI (“**Ms. Mei**”) will be appointed as a non-executive Director and a member of the Audit Committee of the Company with effect from the first Closing Date.

The biographical details of Mr. Wolhardt, Ms. Wang and Ms. Mei (collectively, the “**New Directors**”) are as follows:

Mr. Julian Juul Wolhardt

Mr. Wolhardt, aged 51, is the co-founder and Chief Executive Officer of DCP Capital. Mr. Wolhardt is also the independent director in Niu Technologies, a company listed on Nasdaq (Stock code: NIU). Prior to establishing DCP Capital, Mr. Wolhardt was a Partner and the Regional Leader of Greater China Region at KKR Asia Limited. Before joining KKR Asia Limited, Mr. Wolhardt was with Morgan Stanley Private Equity Asia and was responsible for its private equity business in China. Previously, he was with the Mergers and Acquisition Group of Lazard Freres & Co. and the Financial Advisory Service Group of Coopers & Lybrand.

Mr. Wolhardt is currently a member of the Takeovers and Mergers Panel and the Takeovers Appeal Committee for the Securities and Futures Commission. He also served as a member of the Listing Committee for the Hong Kong Exchanges and Clearing Limited.

He is a certified public accountant and certified management accountant in the United States and received a bachelor’s degree in accounting with honors from the University of Illinois, Urbana-Champaign.

Mr. Wolhardt will serve the Company for a term of three years from the effective date of his appointment and will be subject to retirement by rotation and re-election and other related provisions stipulated in the articles of association of the Company and the Listing Rules. As determined by the Board pursuant to the recommendation made by the Remuneration Committee of the Company with reference to the remuneration policy of the Company applied to his position in the Group, Mr. Wolhardt will not receive any director's emolument during the service period for his directorship in the Company.

As at the date of this announcement, Mr. Wolhardt is deemed to be interested in 7,507,666,581 shares of the Company within the meaning of Part XV of the SFO.

Ms. Guannan Wang

Ms. Wang, aged 36, is an Executive Director of DCP Capital and is responsible for consumer retail investments. Ms. Wang is also the non-executive director in Sunpower Group Limited, a company listed on the Singapore Exchange (Stock code: 5GD.SI). Prior to joining DCP Capital, Ms. Wang was a senior associate with MBK Partners, and previously an analyst with Hony Capital.

Ms. Wang graduated from the MIT Sloan School of Management with a Master in Finance degree and Peking University with a dual Bachelor's degree in Engineering and Economics.

Ms. Wang will serve the Company for a term of three years from the effective date of her appointment and will be subject to retirement by rotation and re-election and other related provisions stipulated in the articles of association of the Company and the Listing Rules. As determined by the Board pursuant to the recommendation made by the Remuneration Committee of the Company with reference to the remuneration policy of the Company applied to her position in the Group, Ms. Wang will not receive any director's emolument during the service period for her directorship in the Company.

As at the date of this announcement, Ms. Wang is the director of each of Paragon Shine Limited and Lavender Haze Limited, which respectively holds 4,504,599,949 and 3,003,066,632 shares of the Company, representing approximately 47.22% and 31.48% of the entire issued share capital of the Company. As at the date of this announcement, Ms. Wang has no interest in any shares of the Company within the meaning of Part XV of the SFO.

Ms. Mengxue Mei

Ms. Mei, aged 31, is a Vice President of DCP Capital focusing on consumer retail investments. Prior to joining DCP Capital, Ms. Mei was an analyst with Bank of America Merrill Lynch's Investment Banking Division. Ms. Mei has accumulated years of experience in investment, along with in-depth industry knowledge in consumer retail investments. Ms. Mei graduated from Columbia University with a Master of International Affairs degree and Peking University with a dual Bachelor's degree in Finance and International Relations.

Ms. Mei will serve the Company for a term of three years from the effective date of her appointment and will be subject to retirement by rotation and re-election and other related provision stipulated in the articles of association of the Company and the Listing Rules. As determined by the Board pursuant to the recommendation made by the remuneration committee of the Company with reference to the remuneration policy of the Company applied to his position in the Group, Ms. Mei will not receive any director's emolument during the service period for her directorship in the Company.

As at the date of this announcement, Ms. Mei has no interest in any shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, as at the date of this announcement, none of the New Directors (i) holds any other positions with the Company or other members of the Group; (ii) holds or has held any other directorship in the last three years in any public company the securities of which are listed on any securities market in Hong Kong or overseas or other major appointments and professional qualifications; nor (iii) has any relationships with any Directors, senior management, substantial shareholders or controlling shareholders (within the meaning of the Listing Rules) of the Company.

Save as disclosed above, there is no other information in relation to the appointment of each of the New Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter in relation to the appointment of each of the New Directors which needs to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to welcome the New Directors to the Board.

TAKEOVERS CODE IMPLICATIONS

Pursuant to Rule 7 of the Takeovers Code, once a bona fide offer has been communicated to the board of the offeree company or the board of the offeree company has reason to believe that a bona fide offer is imminent, except with the consent of the Executive, the resignation of any directors of an offeree company should not take effect until after the publication of the closing announcement on the first closing date of the offer, or the publication of the announcement that the offer has become or been declared unconditional, whichever is later.

An application has been made to the Executive for its consent to the resignations of Ms. Qin and Mr. Han with effect from the SPA Completion Date and the Executive has granted its consent.

Shareholders, Optionholders and potential investors of the Company should exercise caution when dealing in the Shares during the Offer Period. If they are in any doubt about their position, they should consult their professional advisers.

The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this announcement, and strongly recommend the Offer Shareholders and Optionholders not to form a view on the Offers unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee and the advice from the Independent Financial Adviser on the Offers.

On behalf of the Board
Sun Art Retail Group Limited
Shen Hui
Executive Director and Chief Executive Officer

Hong Kong, 27 February 2025

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

Executive Director:
SHEN Hui (*Chief Executive Officer*)

Non-executive Director:
HUANG Ming-Tuan (*Chairman*)

Independent Non-executive Directors:
Karen Yifen CHANG
Charles Sheung Wai CHAN
YIH Lai Tak, Dieter

The Directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.