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SUN ART
Retail Group Limited

PARAGON SHINE LIMITED

(incorporated in the Cayman Islands with limited liability)

SUN ART RETAIL GROUP LIMITED

高鑫零售有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 6808)

**DESPATCH OF THE COMPOSITE DOCUMENT
IN RESPECT OF
THE MANDATORY UNCONDITIONAL OFFERS FOR
SUN ART RETAIL GROUP LIMITED**

CHANGE OF NON-EXECUTIVE DIRECTORS

**Lead Financial Adviser to
Offeror**

Deutsche Bank 

**Joint Financial Adviser to
Offeror**

 **UBS**

**Financial Adviser to Alibaba
Group Holding Limited**

 **CICC
中金公司**

References are made to (i) the joint announcement dated December 31, 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 for the Company, (ii) the joint announcement dated February 27, 2025 issued by the Offeror and the Company in relation to, among other things, the SPA Completion, (iii) the composite document jointly issued by the Offeror and the Company dated March 6, 2025 in connection with the Offers (the “**Composite Document**”) and (iv) the announcement dated February 27, 2025 (the “**Change of Directors Announcement**”) issued by the Company in relation to, among others, the change of non-executive Directors. Unless otherwise specified, terms used herein shall have the same meanings as defined in the Composite Document.

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document containing, among other things, (i) the terms and conditions of the Offers; (ii) the expected timetable of the Offers; (iii) the letter from the Offeror Financial Advisers; (iv) the letter from the Board; (v) the letter from the Independent Board Committee; and (vi) the letter from the Independent Financial Adviser, together with the appendices and accompanying Forms of Acceptance, have been despatched to the Shareholders and the Optionholders on March 6, 2025 in accordance with the Takeovers Code.

EXPECTED TIMETABLE

The timetable set out below, as reproduced from the Composite Document, is indicative only and is subject to change. Further announcement(s) will be made by the Offeror and the Company in the event there is any change to the timetable as and when appropriate. Unless otherwise specified, all the time and date references in this joint announcement refer to Hong Kong time and dates.

Despatch date of the Composite Document and the accompanying Forms of Acceptance and commencement date of the Offers (<i>Note 1</i>)	Thursday, March 6, 2025
Latest time and date for acceptance of the Offers (<i>Note 2</i>)	4:00 p.m. on Thursday, March 27, 2025
Closing Date (<i>Note 2</i>)	Thursday, March 27, 2025
Announcement of the results of the Offers as at the Closing Date on the websites of the Stock Exchange and the Company (<i>Note 2</i>)	no later than 7:00 p.m. on Thursday, March 27, 2025
Latest date for posting of remittances for (i) the Full Upfront Alternative Price and/or the Partial Deferred Alternative First Payment Price due in respect of valid acceptances received under the Share Offer and (ii) the amount due in respect of valid acceptances received under the Option Offer on the Closing Date (<i>Notes 3 and 4</i>)	Tuesday, April 8, 2025

Latest date for the payment of the Partial Deferred Alternative
Second Payment Price that has not been prepaid and the
Base Interest accruing on such Partial Deferred Alternative
Second Payment Price (*Note 5*) Saturday, May 27, 2028

Latest date for the payment of the Variable Interest
(*Note 5*) Monday, June 30, 2028

Notes:

1. The Offers, which are unconditional, are made on the date of posting of the Composite Document, and are capable of acceptance on and from that date until the Closing Date.
2. In accordance with the Takeovers Code, the Offers must initially be open for acceptance for at least 21 days after the date on which the Composite Document was posted. The latest time and date for acceptance of the Offers will be at 4:00 p.m. on Thursday, March 27, 2025 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement no later than 7:00 p.m. on Thursday, March 27, 2025 stating whether the Offers have been extended, revised or have expired. In the event that the Offeror decides to extend the Offers, and the announcement regarding the extension of the Offers does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Offers are closed to those Offer Shareholders and Optionholders who have not accepted the Share Offer and the Option Offer, respectively.

All acceptances, instructions, authorizations and undertakings given by the Accepting Shareholders in the WHITE Form of the Share Offer Acceptance and by the Optionholders in the PINK Form of the Option Offer Acceptance shall be irrevocable except as permitted under the Takeovers Code. Please refer to the paragraph headed “7. *Right of Withdrawal*” in Appendix I to the Composite Document for further information of the circumstances where acceptances may be withdrawn.

3. Payment will be made as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt of complete and valid acceptance by the Share Registrar (in the case of the Share Offer) or the Company (in the case of the Option Offer) of all relevant documents (receipt of which renders such acceptance complete and valid), in accordance with the Takeovers Code.
4. If any severe weather condition is in force in Hong Kong:
 - (a) at any local time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Offers and the latest date for despatch of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers will remain at 4:00 p.m. on the same Business Day and the latest date for despatch of remittances will remain on the same Business Day; or
 - (b) at any local time at or after 12:00 noon on the latest date for acceptance of the Offers and the latest date for despatch of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers will be rescheduled to 4:00 p.m. on the next Business Day and the latest date for despatch of remittances will be rescheduled to the next Business Day which does not have any of those warnings in force at 12:00 noon and/or thereafter (or another Business Day thereafter that does not have any severe weather condition at 12:00 noon or thereafter).

For the purpose of the Composite Document, “severe weather” refers to the scenario where typhoon signal No. 8 or above, a black rainstorm warning (as issued by the Hong Kong Observatory), or the “extreme conditions” warning (as announced by the Hong Kong Government) is in force in Hong Kong.

5. The Offeror has applied to the Executive for, and the Executive has granted a waiver from strict compliance with Rule 20.1(a) of the Takeovers Code for the Partial Deferred Settlement Alternative.

Save as mentioned above, if the latest time for acceptance of the Offers does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will jointly notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

CHANGE OF NON-EXECUTIVE DIRECTORS

As disclosed in the Change of Directors Announcement, (i) Ms. QIN Yuehong 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; and (ii) Mr. HAN Liu has resigned as a non-executive Director, with effect from February 27, 2025, being the SPA Completion Date.

The Board announces that, following the despatch and posting of the Composite Document:

- (i) Mr. HUANG Ming-Tuan (“**Mr. Huang**”) has resigned as the Chairman of the Board 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 after the publication of the closing announcement on 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’s resignation as a non-executive Director and a member of each of the Nomination Committee and the Remuneration Committee of the Company will only take effect after the publication of the closing announcement on the first Closing Date;
- (ii) Mr. Julian Juul WOLHARDT (“**Mr. Wolhardt**”) has been appointed as the Chairman of the Board, a non-executive Director and a member of the Remuneration Committee of the Company; and
- (iii) Ms. Guannan WANG (“**Ms. Wang**”) has been appointed as a non-executive Director and a member of the Nomination Committee of the Company.

For further details on and biographies of Mr. Wolhardt and Ms. Wang and their respective appointments, please refer to the Change of Directors Announcement.

WARNING

Shareholders and Optionholders are encouraged to read the Composite Document and the Forms of Acceptance carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Shareholders and Optionholders in respect of the Offers, before deciding whether or not to accept the Offers. If Shareholders, Optionholders and/or potential investors are in any doubt about their position, they should consult their professional advisers.

By order of the board of directors of
Paragon Shine Limited
Guannan Wang
Director

By order of the Board of
Sun Art Retail Group Limited
Shen Hui
Executive Director and Chief Executive Officer

Hong Kong, March 6, 2025

As at the date of this joint announcement, the Board comprises SHEN Hui as an executive Director, HUANG Ming-Tuan, Julian Juul WOLHARDT and Guannan WANG as non-executive Directors, and Karen Yifen CHANG, Charles Sheung Wai CHAN and YIH Lai Tak, Dieter as independent non-executive Directors.

The Directors 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 and the Offeror Concert Parties) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) 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 statement in this joint announcement misleading.

As at the date of this joint announcement, the board of the Offeror comprises Guannan WANG, WONG Ngai Sze and Samit GHOSH and the board of DCP General Partner II, Ltd. comprises Haifeng David LIU, Julian Juul WOLHARDT, Allan Keh WOLHARDT, Kim Guan LOH and Samit GHOSH.

The directors of the Offeror and DCP General Partner II, Ltd. jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Group), and confirm, having made all reasonable inquiries, 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 that there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.