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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)

RESIGNATION AND APPOINTMENT OF DIRECTORS

References are made to (i) the joint announcement dated 8 December 2017 issued by Taobao China Holding Limited (“**Taobao China**”) and Sun Art Retail Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) in relation to the first completion of the acquisition of certain interest in the Company by Taobao China; and (ii) the composite offer and response document jointly issued by Taobao China and the Company dated 22 December 2017, which provided, among other things, that Concord Greater China Limited (“**CGC**”), Kofu International Limited (“**Kofu**”) and Taobao China have agreed and CGC and Kofu have undertaken to Taobao China that they will (i) procure the resignation of any persons nominated by CGC and Kofu from their offices as directors of the Company; and (ii) cause a proposal for the appointment of such persons nominated by Taobao China as directors of the Company to be considered by the Board and procure the directors nominated by CGC and Kofu to approve such appointment (the “**Undertaking**”).

RESIGNATION OF DIRECTORS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that, pursuant to the Undertaking, with effect from the conclusion of a board meeting on 30 January 2018 (after trading hours):

- (1) Mr. HUANG Ming-Tuan (“**Mr. Huang**”) has resigned as an executive Director, but agreed to remain as a member of the investment committee, the operations committee and the disclosure committee of the Board to provide advice to the Board in respect of investment activity and operation of the Group. The Board believes that this arrangement will ensure a smooth transition in the management of the Company and continuity in the Group’s operation; and
- (2) Mr. CHENG Chuan-Tai (“**Mr. Cheng**”) has resigned as a non-executive Director, the chairman of the Board (the “**Chairman**”), and a member of the audit committee, the nomination committee (the “**Nomination Committee**”) and the remuneration committee (the “**Remuneration Committee**”) of the Company.

Each of Mr. Huang and Mr. Cheng has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board would like to take this opportunity to express its gratitude and appreciation to Mr. Huang and Mr. Cheng for their valuable contribution to the Company during their tenure of directorship.

APPOINTMENT OF DIRECTORS

The Board hereby further announces that, following the resignations of Mr. Huang and Mr. Cheng and as proposed by Taobao China, with effect from the conclusion of a board meeting on 30 January 2018 (after trading hours):

- (1) Mr. ZHANG Yong (“**Mr. Zhang**”) has been appointed as a non-executive Director and the Chairman of the Company; and
- (2) Mr. CHEN Jun (“**Mr. Chen**”) has been appointed as a non-executive Director, and a member of the Nomination Committee and the Remuneration Committee of the Company.

Appointment of Mr. Zhang

Mr. ZHANG Yong, aged 46, has been appointed as the chief executive officer of Alibaba Group Holding Limited (“**Alibaba Group**”, a company incorporated in the Cayman Islands with its American depositary shares listed on the New York Stock Exchange, stock code: BABA) since May 2015, and he currently also serves on the board of directors of Alibaba Group. Prior to his current position, Mr. Zhang has held several other senior positions within Alibaba Group, including the chief financial officer of Taobao marketplace after joining in August 2007. He was appointed as the chief operating officer of Taobao marketplace and general manager of Tmall.com (then Taobao Mall) in April 2008, and then as the president of Tmall.com in June 2011 before his appointment as the chief operating officer of Alibaba Group in September 2013. Before joining Alibaba Group, Mr. Zhang served as a senior manager at PricewaterhouseCoopers’ audit and business advisory division in Shanghai from 2002 to 2005, and later the chief financial officer of Shanda Interactive Entertainment Limited (an online game developer and operator then listed on NASDAQ) from August 2005 to August 2007. Mr. Zhang has served as a director of Weibo Corporation (a company listed on NASDAQ, stock code: WB) since May 2014. He was also a non-executive director of Haier Electronics Group Co., Ltd. (a company listed on the Stock Exchange, stock code: 1169) from 25 March 2014 to 21 June 2017; a non-executive director of Alibaba Health Information Technology Limited (formerly known as CITIC 21CN COMPANY LIMITED, a company listed on the Stock Exchange, stock code: 241) from 30 April 2014 to 7 September 2015; and a non-executive Director of Intime Retail (Group) Company Limited (a company then listed on the Stock Exchange and delisted on 19 May 2017) from 7 July 2014 to 19 May 2017. Mr. Zhang received a bachelor’s degree in finance from Shanghai University of Finance and Economics. Mr. Zhang is also a member of the Chinese Institute of Certified Public Accountants.

Mr. Zhang has entered into a service agreement with the Company for a term of three years with effect from 30 January 2018, which is terminable by either party by giving three months’ notice in writing 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 (the “**Articles**”) and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). Mr. Zhang would not receive any remuneration for being a non-executive Director, which has been approved by the Board based on the recommendation of the Remuneration Committee with reference to the Company’s remuneration policy applicable to his position in the Group, and will be reviewed by the Remuneration Committee on an annual basis.

Save as disclosed above, as at the date of this announcement, Mr. Zhang has not held (i) any other major appointments and qualifications or (ii) any other positions with the Company or other members of the Group. As at the date of this announcement, Mr. Zhang 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”).

Save as disclosed above, there is no further information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters relating to the appointment of Mr. Zhang that need to be brought to the attention of the Stock Exchange or the shareholders of the Company.

Appointment of Mr. Chen

Mr. CHEN Jun, aged 44, currently serves as a vice president of Alibaba Group, and is also a managing director of Alibaba strategic investment group and the investment head of Alibaba new retail fund. He has more than 18 years of experience in strategy management, strategic market development, and business and financial advisory services. He has been in charge of strategic investments by Alibaba Group in various types of companies, including high-growth private companies and public companies listed in the PRC and overseas. The portfolio companies he manages are in a wide spectrum of industries such as retail, logistics, travel, healthcare, sports, and software and solutions. Prior to joining Alibaba Group in 2011, Mr. Chen worked for SAP, a Fortune 500 high-tech software company from 1999 to 2011, taking roles including strategic adviser in the office of CEO and industry director. From 1995 to 1998, he worked as an auditor for Arthur Andersen Consulting Co. Ltd. Mr. Chen was a non-executive director of Alibaba Health Information Technology Limited (formerly known as CITIC 21CN COMPANY LIMITED, a company listed on the Stock Exchange, stock code: 241) from 30 April 2014 to 7 September 2015. Mr. Chen received an EMBA degree from INSEAD.

Mr. Chen will enter into a service agreement with the Company for a term of three years with effect from 30 January 2018, which is terminable by either party by giving three months’ notice in writing and will be subject to retirement by rotation and re-election and other related provisions as stipulated in the Articles and the Listing Rules. Mr. Chen will not receive any remuneration for being a non-executive Director, which has been approved by the Board based on the recommendation of the Remuneration Committee with reference to the Company’s remuneration policy applicable to his position in the Group, and will be reviewed by the Remuneration Committee on an annual basis.

Save as disclosed above, as at the date of this announcement, Mr. Chen has not held (i) any other major appointments and qualifications or (ii) any other positions with the Company or other members of the Group. As at the date of this announcement, Mr. Chen 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)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters relating to the appointment of Mr. Chen that need to be brought to the attention of the Stock Exchange or the shareholders of the Company.

The Board wishes to express its warm welcome to Mr. Zhang and Mr. Chen for joining the Company.

By order of the Board
Sun Art Retail Group Limited
Ludovic Frédéric Pierre HOLINIER
*Executive Director and
Chief Executive Officer*

Hong Kong, 30 January 2018

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

Executive Directors:

Mr. Ludovic Frédéric Pierre HOLINIER (*Chief Executive Officer*)

Non-executive Directors:

Mr. ZHANG Yong (*Chairman*)

Mr. Benoit, Claude, Francois, Marie, Joseph LECLERCQ

Mr. Wilhelm, Louis HUBNER

Mr. Xavier, Marie, Alain DELOM de MEZERAC

Mr. CHEN Jun

Independent Non-executive Directors:

Ms. Karen Yifen CHANG

Mr. Desmond MURRAY

Mr. HE Yi