

SUN ART RETAIL GROUP LIMITED
(the “Company”)
(Incorporated in Hong Kong with limited liability)
(Stock Code: 06808)

**PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON
FOR ELECTION AS A DIRECTOR OF THE COMPANY**
(approved by the Board of Directors on 2 March 2012)

1. PROVISIONS IN THE COMPANY’S ARTICLES OF ASSOCIATION

1.1 The provisions for a shareholder to propose a person for election as a director of the Company are laid down in Article 101 of the Company’s Articles of Association.

1.2 Extract of Article 101 is set out below:

No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless during a period of not less than seven days commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such election and ending no later than seven days before the date appointed for the meeting there shall have been lodged at the Office or at the head office of the Company a Notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected.

**2. REQUIREMENTS UNDER THE RULES GOVERNING THE LISTING OF
SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE
“LISTING RULES”)**

2.1 Pursuant to Rules 13.70 and 13.74 of the Listing Rules, the Company shall:

- publish an announcement or issue a supplementary circular upon receipt of a notice from a shareholder to propose a person for election as a director at the general meeting where such notice is received by the Company after publication of the notice of general meeting;
- include in the announcement or supplementary circular the particulars required under Rule 13.51(2) of such person proposed to be elected as a director;
- publish such announcement or supplementary circular not less than 10 business days before the date of the relevant general meeting; and

- assess whether or not it is necessary to adjourn the meeting of the election to give shareholders at least 10 business days to consider the relevant information disclosed in the announcement or supplementary circular.

3. PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

- 3.1 If a shareholder wishes to propose a person (the “Candidate”) for election as a director of the Company at a general meeting, he/she shall deposit a written notice (the “Notice”) at the Company’s registered office at Level 28, Three Pacific Place, 1 Queen’s Road East, Hong Kong.
- 3.2 The Notice (i) must include the personal information of the Candidate as required by Rule 13.51(2) of the Listing Rules; and (ii) must be signed by the shareholder concerned and signed by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal information.
- 3.3 The period for lodgment of the Notice shall commence on the day after the despatch of the notice of general meeting and end no later than seven (7) days prior to the date of such general meeting.
- 3.4 In order to ensure the Company’s shareholders have sufficient time to receive and consider the proposal of election of the Candidate as a director of the Company without adjourning the general meeting, shareholders are urged to submit and lodge the Notice as early as practicable preferably at least 15 business days prior to the date of the general meeting appointed for such election.