

SUN ART RETAIL GROUP LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock code: 06808)

Environmental Social and Governance Management Committee of the Board of Directors Charter

I. PURPOSE

1. The Board of Directors (the "Board") of SUN ART RETAIL GROUP LIMITED (the "Company") approved the formal establishment of the Environmental Social and Governance Management Committee (the "ESG Management Committee") and formulated the relevant working rules on March 3, 2022 by following the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange and other relevant rules. The Company aims to further enhance the environmental, social and governance ("ESG") management of the Company and to improve the ESG management system.
2. This Charter provides a clear description of the authority and scope of duties of the Board, the ESG Management Committee and the ESG Working Group, and is an important guideline and basis for implementing ESG work.

II. STRUCTURE

3. The Board will be fully responsible for the overall ESG strategy of the Company, supervision of ESG risks, ESG target setting and progress reviewing, and ESG reporting.
4. The ESG Management Committee, as the main ESG liaison organization of the Company, is mainly tasked to analyze the global economic and industry situation, participate in the formulation of ESG strategies and objectives by taking the actual situation of the Company into account. The ESG Management Committee shall identify ESG risks, supervise the implementation of ESG work, and report to the Board on a regular basis regarding the ESG work.
5. The ESG Working Group shall implement the ESG-related management work under the guidance of the ESG Management Committee. The Working Group shall be composed of the directors of relevant departments or regional directors of the Company, their main tasks shall include the specific implementation of strategies, relevant policies, targets, etc.

III. MEETINGS

6. The Board, the ESG Management Committee and the ESG Working Group shall meet as frequently as it deems necessary, provided that the ESG Management Committee is required to conduct at least two meetings with the Board each year on ESG-related matters.
7. All meetings may be held by offline meeting, telephone, video conference or other similar communication. The Board may also act by unanimous written consent in lieu of a meeting.
8. The Company may delegate the ESG Management Committee to invite to its meetings any director, management of the Company and such other persons as it deems

appropriate to carry out its responsibilities. In addition, the Company shall recuse individuals or groups with potential or actual conflicts of interest in the matters being addressed.

IV. RESPONSIBILITIES AND DUTIES OF THE BOARD

9. The Board is required to discuss the report from ESG Management Committee, and to provide guidance, review and final approval of the overall ESG strategy, identified ESG risks and opportunities, ESG goal setting and progress, and the annual ESG report.

V. RESPONSIBILITIES AND DUTIES OF THE ESG MANAGEMENT COMMITTEE

10. The appointment of the members of the ESG Management Committee shall be approved by the Board and the ESG Management Committee shall annually assess and evaluate the effectiveness of the Committee and adequacy of the Terms of Reference, and give advice to the Board as necessary.
11. The ESG Management Committee shall exercise the authority and perform the duties delegated by the Board based on this Terms of Reference. The ESG Management Committee shall report and give advice to the Board to further improve the ESG management of the Company.
12. The responsibilities and duties of the ESG Management Committee include the following:
 - 1) Monitor, evaluate and advise the Board on ESG development trend to ensure that the Company's management and performance on ESG issues are in compliance with applicable laws, regulatory requirements and international standards.
 - 2) Conduct research, analysis, and risk assessment on ESG-related matters of the Company, proposing ESG strategies and objectives of the Company, and analyze significant ESG risks and opportunities of the Company for approval by the Board
 - 3) Analyze the Company's ESG key performance indicators and development goals, monitor the progress of the implementation of ESG goals, and give advice based on the results of ESG implementation and the achievement of the performance goals.
 - 4) Oversee the operation of the Company's ESG system, consider and review the impact of the Company's business on ESG, and make advice and plans to improve the Company's ESG performance.
 - 5) Report regularly to the Board on the Company's ESG-related work and give timely feedback on the progress of the Company's ESG work.
 - 6) Prepare the Company's annual ESG report for consideration and approval by the Board and disclosure.
 - 7) Conduct studies and give advice on other significant matters affecting the Company's ESG.
 - 8) Other matters authorized by the Board and other ESG-related matters relate to the relevant laws and regulations.

VI. RESPONSIBILITIES AND DUTIES OF THE ESG WORKING GROUP

13. The ESG Working Group serves as the day-to-day office responsible for providing

information on relevant aspects of the Company and supporting the ESG Management Committee in its work, including but not limited to:

- 1) Carry out relevant work in response to the ESG advice made by the ESG Management Committee, including carrying out relevant actions in conjunction with the goals set, and report regularly to the ESG Management Committee on the implementation of the goals and actions.
- 2) Implement actions and report on implementation to the ESG Management Committee in conjunction with the ESG-related policies established.
- 3) Oversee and implement ESG management and internal oversight related to each department and region.
- 4) Provide the ESG Management Committee with the information and documents required for disclosure.
- 5) Give ESG-related advice to the ESG Management Committee.
- 6) Other related information.

VII. BY-LAWS

14. This Terms of Reference shall be implemented after its adoption by the Board.
15. Where matters not covered in this Terms of Reference or conflict with the provisions of new or amended laws, regulations, regulatory documents, applicable listing rules or by-laws of the Articles of Incorporation of the Company after the effective date of this Terms of Reference, the provisions of the laws, regulations, regulatory documents, applicable listing rules or by-laws of the Articles of Incorporation of the Company shall be implemented.
16. The right of interpretation and amendment of this Terms of Reference shall be vested in the Board.