

Private and confidential

11 December 2022

Mr. Dieter YIH
28A Kennedy Heights
10 – 18 Kennedy Road
Mid-levels
Hong Kong SAR

Dear Mr. YIH,

Appointment as an Independent Non-executive Director of Sun Art Retail Group Limited (the "Company")

On behalf of the Company, I write to confirm your appointment as an independent non-executive director (the "INED") of the Company with effect from 11 December 2022 on the following terms:

1. Appointment

- 1.1 Your appointment, subject to re-nomination and re-election when appropriate by the Company in general meeting, will be for a term of three (3) years until 10 December 2025. Your appointment will be subject to the on-going requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the "**Listing Rules**") (including without limitation Rules 3.08 and 3.09 of the Listing Rules), the Company's articles of association and any other applicable laws and regulations.

2. Termination

- 2.1 Notwithstanding the provisions of this letter, your appointment may be terminated by you or by the Company giving each other three months' written notice in advance.
- 2.2 Notwithstanding the provisions of this letter, your appointment will terminate automatically and immediately without notice in accordance with the provisions of the articles of association of the Company or the provisions of any law or regulation upon a resolution duly proposed and resolved by the members of the Company in general meeting for such termination or where you are not re-elected as a director when you submitted yourself to re-election in general meeting.
- 2.3 Upon such termination or upon your resignation for any reason, you shall not be entitled to any damages for loss of office and no fee will be payable to you in respect of any unexpired portion of the term of your appointment.
- 2.4 Pursuant to Rule 3.20 of the Listing Rules, immediately upon your resignation as an INED, you are required to provide up-to-date contact information, including an address for correspondence with and services of notices and other documents by The Stock Exchange of Hong Kong Limited and telephone number.

3. Duties

- 3.1 During your appointment, you are required to perform the functions of an INED (in addition to the functions of a director of a company listed on the Stock Exchange) as required by the

Corporate Governance Code as set out in Appendix 14 of the Listing Rules, including but not limited to:

- (a) participating in board meetings of the Company to bring an independent judgment to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
- (b) taking the lead where potential conflicts of interests arise;
- (c) serving on the committees of the board of directors of the Company (the "**Board**") that you are reasonably requested to serve on; and
- (d) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

3.2 During your appointment (and as otherwise indicated below, after your term of appointment), you undertake:

- (a) to discharge your responsibilities faithfully, diligently, unbiasedly and objectively;
- (b) not to gain advantage from use of your position as a director of the Company;
- (c) not to accept personal benefit from third parties conferred because of your position as a director of the Company;
- (d) to work collectively with the other directors as a Board;
- (e) to exercise such powers as are appropriate to you in your position as an INED;
- (f) to act in good faith in the best interest of the Company at all times;
- (g) to act at all times for the purposes of the Company;
- (h) to carry out your responsibilities with the care, skill and diligence which the Company is reasonably entitled to expect from someone of your skill, experience and expertise;
- (i) to act only with the proper authority of the Company;
- (j) not to make any statements on the Company's behalf or concerning the Company to the press, media, venture capital firms, brokers, banks, financial analysts and/or anyone associated with the stock market or investor community unless with prior consultation and agreement with the chairman or company secretary of the Company;
- (k) not to, either during the term of your appointment as an INED or thereafter:
 - (i) use to the detriment or prejudice of the Company or any of its subsidiaries (each a "**Group Company**" and, collectively, the "**Group**") or divulge or communicate to any person any trade secret or confidential information concerning the business or affairs of the Group (except to employees or directors of any Group Company where it is necessary for them to know the same for the purpose of discharging their duties) which may have come to your knowledge during the term of your appointment hereunder; or
 - (ii) use for your own purpose or for any purposes other than those of the Group or disclose to any third party any information or knowledge of a confidential nature which you may from time to time acquire in relation to any Group Company other than such information or knowledge which may come into

the public domain (otherwise than through your default or wrongdoing or breach of any contractual obligations);

- (l) not to, during the term of your appointment, be a director or employee or agent of, or have any other material financial interest or involvement in, any business or enterprise which competes or is likely to compete (directly or indirectly) or has a significant business relationship with any Group Company without the prior written consent of the Board unless such financial interest or involvement began prior to your appointment or has otherwise been approved by the Board;
 - (m) to comply with Rules 3.08 to 3.20A (both inclusive) of the Listing Rules applicable to INEDs of companies listed on the Stock Exchange;
 - (n) to submit to the Company annually a written confirmation of independence covering the matters required under the Listing Rules and that there are no other factors that may affect your independence, pursuant to Rule 3.13 of the Listing Rules; and
 - (o) to inform the Company and the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect your independence.
- 3.3 Whilst your appointment will not be of a full-time nature, you will be required to devote such of your time to your appointment as is necessary to perform your duties to the satisfaction of the Board.
4. **Document Management**
- 4.1 At all times during and after your appointment, the following shall remain the property of the Group:
- (a) all notes, files and documentations, whether in paper or electronic form, containing any trade secrets or confidential information belonging to any Group Company which you acquired, received or made during the course of your appointment; and
 - (b) all personal property, including without limitation, all records, reports, notes and other documents or materials, or copies thereof, prepared by you during the course of your appointment and containing any trade secrets or confidential information of any Group Company.
- 4.2 You are required to surrender all documents, records and items referred to in clause 4.1 to a designated person of the Group at the termination of your appointment or at the request of the Company at any time during the course of your appointment.
- 4.3 If at the conclusion of your appointment, you wish to retain hard copies or electronic copies of any document, record or item referred to in clause 4.1, the Company shall not

unreasonably withhold approval for you to retain such documents, records or items on the basis that you retain them in accordance with your obligations in clause 3.2(k).

5. Fees

- 5.1 You will be entitled to a fee for your services as an INED of HK\$395,000.00 per annum (less any necessary statutory deductions). Such fee shall be payable in arrears by equal monthly instalments.
- 5.2 You are responsible for making contributions (if any) which you are legally required to make to a Mandatory Provident Fund as a "self-employed person" pursuant to the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong).
- 5.3 For the avoidance of doubt, you shall be responsible for payment of all applicable taxes (whether in Hong Kong or otherwise) imposed on you in relation to your remuneration.

6. Expenses

- 6.1 In addition to the fees described in clause 5.1 above, and without prejudice to the generality of the articles of association of the Company, the Company shall reimburse you for all reasonable out of pocket expenses necessarily incurred in carrying out your duties or in response to any requests by the Company or the Board to perform any duty or service in your capacity as director of the Company, provided that you provide to the Company all appropriate receipts and vouchers.
- 6.2 In order to enable you to carry out the duties of your office, you will after consultation with the chairman of the Company (and, if appropriate, jointly with any other Non-Executive Director and/or INED whose interests are the same as yours) be entitled to seek external independent legal advice at the Company's expense.
- 6.3 To the extent permitted by applicable laws and regulations, the Company will use its reasonable endeavours to obtain appropriate director's and officer's liability insurance for your benefit during your appointment. Such insurance may not cover claims in which you are directly or indirectly interested as the claimant.

7. Other directorships and business interests

- 7.1 The Company recognises that you have other duties and business interests. Accordingly, you will be expected to notify the chairman of the Company of any direct conflict of interest which may arise due to your duties as an INED and any other duties or business interests which you currently have.
- 7.2 During your appointment you will consult with and obtain the written approval of the chairman of the Company prior to accepting any other (or further) directorships of listed companies. It is acknowledged and accepted that you are currently appointed as independent non-executive director of the companies listed in Appendix 1 which are currently unlisted but is or was seeking a listing on the Hong Kong Stock Exchange such that no further consultation or approval for such directorship appointments will be necessary.

8. Code of conduct and code on corporate governance practices

- 8.1 During the period of your appointment you will be required to comply with the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules, the Hong Kong Codes on Takeovers and Mergers and Share Repurchases, the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the Companies (Winding up and miscellaneous provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and all applicable regulatory requirements and will use your best endeavours to procure the Company to

comply with the provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

8.2 Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of price-sensitive information. Consequently you should avoid making any statements that might risk a breach of these requirements unless with prior consultation and agreement with the chairman or company secretary of the Company.

8.3 You are required to comply with the policies and procedures of the Company, as amended from time to time, including the Company's applicable compliance policies and code of conduct, all of which will be promptly supplied to you.

9. Confidentiality

9.1 You must apply the highest and strictest standards of confidentiality, and not disclose to any person or company (whether during the course of your appointment or at any time after its termination), any confidential information concerning the Company and any affiliate of the Company with which you come into contact by virtue of your position as an INED.

(a) The undertakings contained in clause 9.1 shall not apply to:

(i) any disclosure or use authorised by the Board or required by any law or regulation or by your appointment;

(ii) any confidential information in relation to which you can prove by documentary evidence produced to the Company within 14 days of disclosure that such confidential information:

(a) was, is or has become lawfully available to the public otherwise than through breach of your obligations in this letter; or

(b) was known to you prior to your appointment as a director and at your free disposal; or

(c) was disclosed to you by a third party having the right to make that disclosure; or

(d) any disclosure which prevents you from using your own personal skill in any business in which you may be lawfully engaged after your appointment is terminated.

10. Notices

10.1 Any notices given under this letter must be given by letter or fax. Notice to the Company shall be sent to the following address and marked for the attention of the Company Secretary:

Sun Art Retail Group Limited
Company Secretary
25/F, Tower 1, Times Square
1 Matheson Street, Causeway Bay
Hong Kong

10.2 Notices to you may be given to you personally or sent to your last known address or via electronic means.

10.3 Except for notices given by hand, notices will be deemed to have been given at the time at which the letter or fax or any electronic means would be delivered in the ordinary course of post or transmission.

11. **Governing Law and Jurisdiction**

11.1 The terms of this letter are governed by, and shall be construed in accordance with, the laws of the Special Administrative Region of Hong Kong (Hong Kong) and the parties hereto submit to the non-exclusive jurisdiction of the courts of Hong Kong in the determination of any dispute arising hereunder.

12. **Contracts (Rights of Third Parties) Ordinance**

12.1 No term of this appointment letter is enforceable under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) by a person who is not a party to this appointment letter.

This appointment letter does not constitute a contract of employment between you and the Company.

Please confirm your agreement to the above by signing and returning to us the enclosed duplicate of this letter.

Yours sincerely

For and on behalf of **Sun Art Retail Group Limited** 高鑫零售有限公司



Name: Mr. LIN Xiaohai

Position: Director and CEO

Date: 11 December 2022

Encl.

I have read and agree to the above terms regarding my appointment as an independent non-executive director of Sun Art Retail Group Limited.



Name: Mr. Dieter Yih

Date: 11 December 2022

APPENDIX 1

Existing directorship in companies that might become listed in the near future

- Sinochem Energy Co., Lid. (中化能源股份有限公司)

**ADDENDUM TO THE AGREEMENT RELATED TO THE APPOINTMENT
AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF SUN ART RETAIL GROUP LIMITED
ON 11 DECEMBER 2022**

**SUN ART RETAIL GROUP LIMITED
(高鑫零售有限公司)**

and

MR DIETER YIH

DATED 16 MAY 2023

**ADDENDUM TO THE AGREEMENT RELATED TO THE APPOINTMENT AS AN INDEPENDENT
NON-EXECUTIVE DIRECTOR OF SUN ART RETAIL GROUP LIMITED DATED 11 DECEMBER 2022**

This Addendum is in reference to the agreement in relation to the Appointment as an Independent Non-executive Director (the "INED") of Sun Art Retail Group Limited, entered into between the following parties on 11 December 2022 ("2022 Appointment Letter"):

(1) **SUN ART RETAIL GROUP LIMITED** (高鑫零售有限公司), a company incorporated under the laws of Hong Kong, whose registered office is at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong;

AND

(2) **MR DIETER YIH** of 28A, Kennedy Heights, 10-18 Kennedy Road, Mid-levels, Hong Kong.

May it be known that the undersigned parties, for good consideration, do hereby agree to make the following changes to the 2022 Appointment Letter as outlined below.

Change for 2022 Appointment Letter ("Stated Change"):

"5. Fees

5.1 You will be entitled to a fee for your services as an INED of HK\$445,000.00 per annum (less any necessary statutory deductions). Such fee shall be payable in arrears by equal monthly instalments."

The Stated Change will be effective from 11 December 2022.

No other terms or conditions of the above mentioned contract shall be negated or changed as a result of this here stated Addendum.

Signature



LIN Xiaohai
Executive director and CEO
For and on behalf of Sun Art Retail Group Limited
Date: 16 May 2023

Signature



Dieter YIH
Independent non-executive director
Date: 16 May 2023