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*Unless otherwise defined in this announcement, terms defined in the Prospectus have the same meanings when used in this announcement.*

# **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: 6808)**

### **ANNOUNCEMENT**

Reference is made to the prospectus dated 4 July 2011 (the “**Prospectus**”) issued by Sun Art Retail Group Limited (the “**Company**”). Reference is also made to the announcement made by the Company on 14 July 2011 (the “**Previous Allotment Announcement**”).

Unless otherwise defined in this announcement, terms defined in the Prospectus issued by the Company have the same meanings when used in this announcement.

#### **Delay of Listing and Confirmation**

The board of directors of the Company (the “**Board of Directors**”) wishes to announce a delay in the anticipated listing of the Shares of the Company on the Hong Kong Stock Exchange, which was originally anticipated to occur on Friday, 15 July 2011.

**Eligible Applicants are reminded that you must confirm your application for the Offer Shares before the deadline as stipulated in the Supplemental Prospectus, which is currently expected to be 4:30 p.m. on Wednesday, 20 July 2011. If you have made a valid application for the Offer Shares, but do not confirm the application for such Offer Shares in accordance with the procedures set out in the Supplemental Prospectus, you will be taken as not proceeding with your application.**

## **Clarification of the Calculation of Historical Earnings Per Share**

The Board of Directors wishes to revise the calculation of its historical basic and diluted earnings per Share (“**EPS**”) (the “**EPS Clarification**”).

Under Hong Kong Accounting Standard (“**HKAS**”) 33 paragraph 64, there is a requirement to adjust the number of shares adopted in the earnings per share calculation retrospectively to reflect the Share Subdivision which took place on 27 June 2011. Due to this requirement, the Company has revised the calculation of its historical basic and diluted EPS.

Based on a calculation pursuant to this requirement, the Company’s revised basic and diluted EPS is RMB0.13, RMB0.15, RMB0.19, RMB0.07 and RMB0.09 per Share for the years ended 31 December 2008, 2009 and 2010 and the three months ended 31 March 2010 and 2011, respectively.

## **Supplemental Prospectus**

In order to enable applicants who have made a valid application in accordance with the application channels (“**Eligible Applicant**”) to consider, and to enable other potential investors to consider, the potential impact of the EPS Clarification on their investment decision, the Company expects to issue a supplemental prospectus on or about Monday, 18 July 2011 (the “**Supplemental Prospectus**”) to revise information previously provided to applicants and potential investors in the Prospectus. The Supplemental Prospectus will supplement the Prospectus and investors should read the Supplemental Prospectus in conjunction with the Prospectus.

Eligible Applicants who wish to proceed with their applications are required to confirm their applications with respect to all (and not some only) of the Hong Kong Offer Shares under the Hong Kong Public Offering within a specified period as provided in the Supplemental Prospectus, which is currently expected to be from 9:00 a.m. to 4:30 p.m. on Monday, 18 July 2011, 9:00 a.m. to 4:30 p.m. on Tuesday, 19 July 2011 and from 9:00 a.m. to 4:30 p.m. on Wednesday, 20 July 2011, and in any event before the deadline specified in the Supplemental Prospectus. The relevant procedures for confirmation will be set out in the section headed “Confirmation of application procedure” in the Supplemental Prospectus.

The Company will contact all Eligible Applicants who have made applications for the Hong Kong Offer Shares to inform them the arrangement under which they may confirm their applications. A hard copy of this announcement will also be sent by post to all Eligible Applicants on 15 July 2011. A hard copy of the Supplemental Prospectus and Confirmation Form will also be sent by post to all Eligible Applicants for delivery on 18 July 2011. We will also provide a manned hotline number for applicants to contact in respect of the arrangements for them to confirm their applications, details of which will be included in the Supplemental Prospectus.

Unless otherwise defined in this announcement, terms defined in the Prospectus issued by the Company have the same meanings when used in this announcement.

## **DELAY OF LISTING AND CONFIRMATION**

In order to enable Eligible Applicants to consider, and to enable other potential investors to consider, the potential impact of the EPS Clarification (as described below) on their investment decision, the Board of Directors wishes to announce a delay in the anticipated listing of the Shares of the Company on the Hong Kong Stock Exchange, which was originally anticipated to occur on Friday, 15 July 2011.

## **CLARIFICATION OF THE CALCULATION OF HISTORICAL EARNINGS PER SHARE (“EPS”)**

The Board of Directors wishes to revise the calculation of its historical basic and diluted earnings per Share (the “**EPS Clarification**”).

As disclosed in the Prospectus, in connection with the Company’s Reorganisation and in preparation for the Global Offering, certain adjustments were made to the Company’s share capital. Such adjustments included a subdivision of each issued and unissued ordinary share with a nominal value of HK\$7.80 on 27 June 2011 into 26 ordinary shares of HK\$0.30 each (the “**Share Subdivision**”).

It is noted that on page 4 of the Prospectus under the heading “Summary of Historical Financial Information – Summary of Consolidated Statements of Comprehensive Income” and on page I-4 of the Prospectus under the heading “Accountants’ Report – A. Financial Information – 1. Consolidated Statements of Comprehensive Income”, the line item “Earnings per Share – Basic and Diluted” for the years ended 31 December 2008, 2009 and 2010 and the three months ended 31 March 2010 and 2011, of RMB3.40, RMB3.83, RMB4.88, RMB1.87 and RMB2.47, respectively, was stated on the basis of the actual weighted average number of ordinary shares in issue during the relevant periods. Under Hong Kong Accounting Standard (“HKAS”) 33 paragraph 64, there is a requirement to adjust the number of shares adopted in the earnings per share calculation retrospectively to reflect the Share Subdivision which took place on 27 June 2011. Due to this requirement, the Accountants’ Report has been revised to reflect the calculation of the Company’s historical basic and diluted EPS. Unaudited pro forma forecast earnings per Share for the year ending 31 December 2011 of not less than RMB0.15 per Share is not affected.

The Company would like to clarify that based on this calculation, its revised basic and diluted EPS is RMB0.13, RMB0.15, RMB0.19, RMB0.07 and RMB0.09 per share for the years ended 31 December 2008, 2009 and 2010 and the three months ended 31 March 2010 and 2011, respectively.

This calculation of EPS is based on the profit attributable to equity holders of the Company and the adjusted weighted average of 5,200,135,200, 5,498,615,200, 5,498,615,200, 5,498,615,200 and 5,498,615,200 ordinary shares for the three years ended 31 December 2008, 2009 and 2010 and each of the three months ended 31 March 2010 and 2011, respectively. The weighted average number of ordinary shares has been adjusted retrospectively assuming that the Share Subdivision had been effective as at 1 January 2008.

## **SUPPLEMENTAL PROSPECTUS**

In order to enable Eligible Applicants to consider, and to enable other potential investors to consider, the potential impact of the EPS Clarification on their investment decision, the Company currently expects to issue a supplemental prospectus on or about Monday, 18 July 2011 (the “**Supplemental Prospectus**”) to provide the correct information to applicants and potential investors. The Supplemental Prospectus will supplement the Prospectus and applicants and potential investors should read the Supplemental Prospectus in conjunction with the Prospectus.

The Company would refer applicants and potential investors to the Supplemental Prospectus for details relating to the EPS Clarification and the revised timetable.

Eligible Applicants who applied by using **WHITE** or **YELLOW** Application Forms or using White Form eIPO Service and who wish to proceed with their applications are required to confirm their applications with respect to all (and not some only) of the Hong Kong Offer Shares under the Hong Kong Public Offering within a specified period as provided in the Supplemental Prospectus, which is currently expected to be from 9:00 a.m. to 4:30 p.m. on Monday, 18 July 2011, 9:00 a.m. to 4:30 p.m. on Tuesday, 19 July 2011 and from 9:00 a.m. to 4:30 p.m. on Wednesday, 20 July 2011, and in any event before the deadline specified in the Supplemental Prospectus. The relevant procedures for confirmation will be set out in the section headed “Confirmation of applications” in the Supplemental Prospectus (including returning the Confirmation Form).

Eligible Applicants who applied (i) using **YELLOW** Application Forms through brokers, banks or other intermediaries and/or who had not provided their names and addresses on their Application Forms or (ii) by giving **electronic application instructions** to HKSCC via CCASS should check with their brokers, banks or other intermediaries to establish the latest time by which they can give instructions for the application confirmation as such latest time may be earlier than the deadline specified in the Supplemental Prospectus. Eligible Applicants who wish to proceed through the White Form eIPO Service can submit their completed confirmations to Computershare Hong Kong Investor Services Limited, the White Form eIPO Service Provider, by e-mail.

Applications in respect of which valid confirmations are not received by the deadline specified in the Supplemental Prospectus and the Confirmation Form will be rejected and refund monies will be sent out as stipulated in the section headed “Revised timetable of Global Offering” in the Supplemental Prospectus. Please refer to the section headed “Confirmation of applications” in the Supplemental Prospectus for details of where the Confirmation Forms, which are the only means by which valid confirmations can be made, can be obtained. Eligible Applicants who do not wish to proceed with their applications need not take any action.

Confirmation of an application can only be given by validly completing and lodging a Confirmation Form. Confirmation of application can only be validly given in respect of an original application which was validly completed and submitted in accordance with procedures set out in the section headed “How to Apply for Hong Kong Offer Shares” in the Prospectus. Confirmation of an application cannot be validly given in respect of an original application which was not validly completed and submitted in accordance with the relevant procedures set out in the section headed “How to Apply for Hong Kong Offer Shares” in the Prospectus.

Refund of application monies received have been made on 14 July 2011 to applicants in respect of invalid applications or the unsuccessful portion of applications for Hong Kong Offer Shares in the Hong Kong Public Offering, without any interest paid thereon. Share certificates in **BLUE** colour have also been despatched on 14 July 2011 to Eligible Applicants who applied for Hong Kong Offer Shares in the Hong Kong Public Offering. As a result of the delay in the listing of the Shares on the Hong Kong Stock Exchange, such share certificates in **BLUE** colour are not valid documents of title and will cease to have any effect whatsoever.

## **Availability of the Supplemental Prospectus and the Confirmation Form**

Copies of the Supplemental Prospectus and the Confirmation Form are expected to be available at the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company (<http://www.sunartretail.com>) from Monday, 18 July 2011 and a notice of the Supplemental Prospectus and the Confirmation Form will be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on Monday, 18 July 2011 through Wednesday, 20 July 2011.

The contents of the Company's website do not form part of the Supplemental Prospectus. No reliance shall be placed on the contents of the Company's website.

Copies of the Supplemental Prospectus and the Confirmation Form are expected to be available from 9:00 a.m. to 4:30 p.m. on Monday, 18 July 2011, 9:00 a.m. to 4:30 p.m. on Tuesday, 19 July 2011 and from 9:00 a.m. to 4:30 p.m. on Wednesday, 20 July 2011 at the addresses of the Hong Kong Underwriters and the branches of the receiving banks as disclosed in the Supplemental Prospectus.

An electronic copy of the Confirmation Form will be sent by Computershare Hong Kong Investor Services Limited, the White Form eIPO Service Provider, to White Form eIPO applicants who had applied for Hong Kong Offer Shares through the White Form eIPO Service.

The Company will contact all Eligible Applicants who have made applications for the Hong Kong Offer Shares to inform them the arrangement under which they may confirm their applications. A hard copy of this announcement will also be sent by post to all Eligible Applicants on 15 July 2011. A hard copy of the Supplemental Prospectus and Confirmation Form will also be sent by post to all Eligible Applicants to be received on 18 July 2011. We will also provide a manned hotline number for applicants to contact in respect of the arrangements for them to confirm their applications, details of which will be included in the Supplemental Prospectus.

## **Commencement of trading**

Trading of the Shares is currently expected to commence on Wednesday, 27 July 2011, subject to satisfaction of the conditions set out in the section headed "Structure of the Global Offering" in the Prospectus, which include the formal approval of the Stock Exchange for the listing of the Shares.

The timetable for the publication of the Supplemental Prospectus and the dates thereafter are indicative only and subject to change.

## **No significant change and no significant new matter**

The Company confirms that, save as disclosed above, there has been no significant change, and no significant new matter has arisen, since the publication of the Prospectus on 4 July 2011. Other than as disclosed, the Company does not currently have any additional information relating to our financial or trading position or prospects of the Company which is not otherwise disclosed in the Prospectus.

## **Important**

**Shareholders, applicants and potential investors in the Shares are urged to rely only on information contained in the Prospectus and the Supplemental Prospectus before making any investment decision in respect of the Shares.**

By Order of the Board of Directors  
**Sun Art Retail Group Limited**  
**Chuan-Tai CHENG**  
*Chairman*

Hong Kong, 15 July 2011

*As at the date of this announcement, our directors are Bruno Robert MERCIER and HUANG Ming-Tuan as executive directors, CHENG Chuan-Tai, Christophe Maurice Paule Marie Joseph DUBRULLE, Philippe David BAROUKH and Xavier Marie Alain DELOM DE MEZERAC as non-executive directors and Karen Yifen CHANG, Desmond MURRAY and HE Yi as independent non-executive directors.*

*Please also refer to the published version of this announcement in the South China Morning Post.*