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**PROFIT WARNING
INSIDE INFORMATION
CLOSURE OF UNDER-PERFORMED STORES**

This announcement is made by Century Ginwa Retail Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The Board wishes to inform shareholders and potential investors that based on the preliminary review of the management accounts of the Group for the 12-month period ended 31 December 2015 and information currently available, the profit from operations of the Group is expected to record a decline by approximately 10% as compared with that for the corresponding period ended 31 December 2014.

The Board believes that the decline is due to a drop in turnover by approximately 9% as a result of the slowdown in the retail market in the People’s Republic of China.

The valuation gain on the investment property of the Group is estimated to decrease by approximately 93%. As the valuation gain is non-cash in nature, the decrease will not have any material negative impacts on the cash flow and business operation of the Group.

Net finance costs are expected to increase by approximately 37% over the same period last year because of the increase in loan amount and a decrease in interest income from a loan receivable from a related party which was fully paid in the second half of 2014.

As at the date of this announcement, the Company is still in the process of determining the potential goodwill impairment and assessing the amount of impairment to be made for the 12-month period ended 31 December 2015. Such impairment may have a material effect on the financial results of the Group. As such impairment is non-cash in nature, it will not have any impact on the cash flow and business operation of the Group.

The Company is still in the process of finalizing the interim results for the 12-month period from 1 January 2015 to 31 December 2015. The information contained in this announcement is only based on the preliminary assessment by the Company's management according to the consolidated management accounts of the Group and not based on any figures or information that has been audited or reviewed by the Company's auditors. Such information may be subject to adjustment and the information contained in this announcement may be different from the interim financial information to be published. Details of the Group's interim results for the period ended 31 December 2015 are expected to be announced by the end of February 2016.

Closure of Under-performed Stores

The management of the Company considers to cease the operation of two under-performed stores in Xi'an and is currently assessing the financial impact on the closure and will make further announcement as and when necessary.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Century Ginwa Retail Holdings Limited
Choon Hoi Kit, Edwin
Chief Executive Officer

Hong Kong, 18 February 2016

As at the date of this announcement, the Board comprises four executive directors, Mr. Wu Yijian, Mr. Chan Wai Kwong, Peter, Mr. Choon Hoi Kit, Edwin and Mr. Sha Yingjie; three non-executive directors, Mr. Chen Shuai, Mr. Cao Yonggang and Mr. Qu Jiaqi; and four independent non-executive directors, Mr. Tsang Kwok Wai, Mr. Ruan Xiaofeng, Ms. Sun Zhili and Dr. Cao Guoqi.