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## **CENTURY GINWA RETAIL HOLDINGS LIMITED**

**世紀金花商業控股有限公司**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 162)

### **PROFIT GUARANTEE IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF GOLDEN CHANCE (XIAN) LIMITED**

Reference is made to the Circular in relation to the acquisition of the entire issued share capital of GCX.

The Board is pleased to announce that the Actual Profit of GCX Group for the year ended 31 December 2012 was approximately HK\$55.1 million. Accordingly, the Guaranteed Profit has been achieved.

Reference is made to the circular of Century Ginwa Retail Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 30 October 2010 (the “**Circular**”) in relation to, among other matters, the acquisition of the entire issued share capital of Golden Chance (Xian) Limited (“**GCX**”). Capitalized terms use in this announcement shall have the same meanings as those defined in the Circular unless otherwise specified.

As disclosed in the Circular, pursuant to the relevant clauses in the Sale and Purchase Agreement (the “**SPA**”) entered into between Best Mineral Resources Limited (the “**Vendor**”) and the Company, the Vendor guaranteed that the net profit before tax and any extraordinary or exceptional items (the “**Actual Profit**”) of GCX and its subsidiaries (collectively referred to as “**GCX Group**”) for the year ended 31 December 2012 will not be less than HK\$50 million (the “**Guaranteed Profit**”).

In the Company's published consolidated financial statements for the year ended 31 December 2012, the rental expenses of the Group were recognized on straight-line method. Based on the consolidated management accounts of GCX Group, the consolidated profit before tax amounted to approximately HK\$40 million.

Adjustments to the extraordinary and exceptional items were made, including recognition of rental expenses based on cash amount, rather than based on straight-line method (the "**Rental Adjustment**") in the consolidated management accounts of GCX Group. The amount of the Rental Adjustment is approximately RMB12.3 million (equivalent to approximately HK\$15.1 million).

The adjustment to extraordinary and exceptional items was arrived after negotiations between the Company and the Vendor. As the Company and the Vendor only came up with an oral agreement, no written agreement was entered into. The directors of the Company (the "**Directors**") considered that the Rental Adjustment is an extraordinary and exceptional item and such adjustment is in accordance with the terms of the SPA.

After taking into account the Rental Adjustment, the Actual Profit of GCX Group amounted to approximately HK\$55.1 million. The independent non-executive Directors consider that the Vendor has fulfilled its obligations under the profit guarantee.

The Actual Profit of GCX Group for the year ended 31 December 2012 was approximately HK\$55.1 million. Accordingly, the Guaranteed Profit has been achieved.

On behalf of the Board  
**Century Ginwa Retail Holdings Limited**  
**Choon Hoi Kit, Edwin**  
*Chief Executive Officer*

Hong Kong, 28 August 2013

*As at the date of this announcement, the Board comprises four executive directors, being Mr. Wu Yijian, Mr. Qiu Zhongwei, Mr. Choon Hoi Kit, Edwin, and Mr. Sha Yingjie; two non-executive directors, being Mr. Qu Jiaqi and Mr. Chen Shuai; and three independent non-executive directors, being Mr. Chan Wai Kwong, Peter, Mr. Tsang Kwok Wai and Ms. Li Ling.*