佳華百貨控股有限公司

JIAHUA STORES HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00602)

PROFIT WARNING

This announcement is made by Jiahua Stores Holdings Limited ("**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 ("**Listing Rules**").

The Board of Directors of the Company ("**Board**") wishes to inform potential investors and shareholders of the Company that having assessed the currently available information, the Group is likely to record a lower unaudited consolidated net profit for the six months ended 30 June 2019 due to the adoption of new Hong Kong Financial Reporting Standard 16 – Leases, which resulted in higher depreciation charge on right-of-use assets and interest expenses on lease liabilities. The operation results for the six months ended 30 June 2019 is expected to be similar to that of the same period in last year.

Despite the lower unaudited consolidated net profit for the six months ended 30 June 2019, the Board considers that the Group's overall financial position is still healthy and the Board remains positive on the long term prospect of the Group.

As the Company is still in the process of finalizing its Interim Results, the information contained in this announcement is based only on a preliminary assessment of the management accounts of the Company as at 30 June 2019 by, and information currently available to, the Board and has not been audited or reviewed by the Company's independent auditor. Further details of the Company's Interim Results will be announced in due course.

Potential investors and shareholders of the Company should exercise caution when dealing in the shares of the Company.

By Order of the Board
Jiahua Store Holdings Limited
Zhuang Pei Zhong
Executive Director and CFO

Shenzhen, the PRC, 28 August 2019

As at the date of this announcement, the Directors are:
Executive Directors: Mr. Zhuang Lu Kun, Mr. Zhuang Pei Zhong and Mr. Zhuang Xiao Xiong

Independent non-executive Directors: Mr. Chin Kam Cheung, Mr. Sun Ju Yi, Mr. Ai Ji