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 WARNING

This announcement is made by Century Ginwa Retail Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) 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 board of directors of the Company (the "**Board**") wishes to inform shareholders of the Company and potential investors that based on the preliminary review of the management accounts of the Group for the year ended 31 March 2020 and information currently available, it is expected that the Group will record a loss attributable to equity shareholders of the Company of approximately RMB1,185.0 million for the year ended 31 March 2020 as compared to a loss attributable to equity shareholders of the Company of RMB261.6 million recorded for the year ended 31 March 2019.

Based on currently available information, the aforesaid significant increase in the loss attributable to equity shareholders of the Company was mainly attributable to:

(i) a drop in revenue by approximately 39% attributable to the slowdown of the People's Republic of China (the "**PRC**") retail market due to the outbreak of the coronavirus (COVID-19) and business diversion resulting from newly opened shopping malls and e-commerce channels in market;

(ii) the provision for impairment of goodwill of approximately RMB470.6 million due to the slowdown in the economic growth in the PRC since the outbreak of COVID-19 in early 2020. As a result of the measures that were implemented to control the spread of COVID-19, the shopping habit of the general public has been changed, resulting in the business operation of the Group being significantly impacted and it is expected that it will take time for the Group's business operation to fully recover. As such impairment is non-cash in nature, it will not have any material effect on the cash flow and the business operation of the Group; and

(iii) an increase in provision for expected credit loss of trade and other receivables by approximately RMB588 million, due to an increase in provision for expected credit loss of amounts due from a third party (a company engaged in prepaid cards management) (the "**Third Party**"). The Third Party provides services in managing the sale and usage of customers' prepaid cards within the Group's department stores, shopping mall and supermarkets. According to the Company's assessment of the credit risk associated with the Third Party debts based on the information currently available, corresponding provisions have been made for the expected credit loss of amounts due from the Third Party in the financial statements for the year ended 31 March 2020. The Company is actively exploring and seeking effective ways to realise the recovery of the Third Party amounts, and will also continue to monitor the credit risk that the Group has to bear in relation to the abovementioned Third Party debts pursuant to the credit policies of the Company, and will make further disclosure in relation to relevant development as and when appropriate.

The results of the Group for the year ended 31 March 2020 remain subject to finalization and necessary adjustments, where necessary. The information contained in this announcement is only based on the preliminary assessment by the Company's management with reference to the information currently available to the Board, including the consolidated management accounts of the Group for the year ended 31 March 2020, and is not based on any figures or information that has been audited or reviewed by the Company's auditors or the audit committee of the Company. The information contained in this announcement may be different from the actual financial information to be published. Shareholders and investors are advised to read carefully the details of the Group's annual results for the year ended 31 March 2020, which are expected to be published at the end of June 2020.

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
Qin Chuan
Executive Director

Hong Kong, 23 June 2020

As at the date of this announcement, the Board comprises one executive director, being Mr. Qin Chuan; one non-executive director, being Mr. Chen Shuai; and three independent non-executive directors, being Mr. Tsang Kwok Wai, Mr. Ruan Xiaofeng and Dr. Han Qinchun.