Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

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)

FORECASTED INTERIM RESULTS — DECREASE IN NET LOSS

This announcement is made by Jiahua Stores Holdings Limited ("**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the inside information provisions (the "**Inside Information Provisions**") under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**").

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary review of the unaudited management accounts of the Group for the six months ended June 30, 2021 and an assessment of the latest information currently available to the Board, the net loss of the Group is expected to show a significant decrease of not more than approximately 37% from approximately RMB51 million (unaudited) for the six months ended June 30, 2020 to not more than approximately RMB32 million for the six months ended June 30, 2021.

The expected decrease in the net loss of the Group is mainly attributable to:

a) Interest on lease liability decreased by approximately RMB6 million, representing a decrease of approximately 23% as compared to the corresponding period in 2020;
b) Depreciation of right-of-use assets decreased by approximately RMB11 million, representing a decrease of approximately 21% as compared to the corresponding period in 2020; and
c) There was no loss during the period from written-off of property, plant and equipment and related expenses in relation to the closure of three stores last year.

Given that the pandemic is continuing, it is not yet possible to estimate accurately the full financial effect that the pandemic will have on the Group's operations. The actual operating and financial conditions of the Group for the period are yet to be quantified and the Board will closely monitor the situation.

Despite the possible unaudited consolidated net loss for the six months ended 30 June 2021, 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 2021 by, and information currently available to, the Board which have not been audited or reviewed by the Company's auditor or the audit committee of the Company, and may be subject to adjustments. 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, 18 August 2021

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