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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

THE DISPOSAL

Reference is made to the Company's announcement dated 8 October 2021 in relation to, among other things, the Potential Disposal of Property 1. The Board is pleased to announce that, on 20 June 2022, the Vendor (an indirect wholly-owned subsidiary of the Company) entered into the Sale and Purchase Contract with the Purchaser (a natural person and independent third party) for the disposal of Property 1, pursuant to which, the Vendor agreed to sell Property 1 and the Purchaser agreed to purchase Property 1 with a consideration of RMB7,241,400.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the Disposal exceeded 5% but were less than 25%, the entering into of the Sale and Purchase Contract and the Disposal contemplated thereunder constituted discloseable transactions of the Company under Chapter 14 of the Listing Rules and were subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE DISPOSAL

Date

20 June 2022

Parties

- (i). Honghui Property, a wholly-owned subsidiary of the Company, being the Vendor;
- (ii). the Purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable inquiries, the Purchaser is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Consideration and payment

The total consideration for the Disposal was RMB7,241,400, which was determined by the open bidding process and with reference to the initial bid price of RMB7,151,400 for Property 1, which was determined with reference to the valuation value of RMB7,151,400 of Property 1 as at 31 January 2021 assessed by an independent valuer on 20 March 2021. The aforementioned consideration has been paid by the Purchaser to the Vendor in one lump sum. As at the date of this announcement, the Group has received the entire consideration.

Completion

The risk and liability of Property 1 will be transferred to the Purchaser from the date of the transfer of ownership.

INFORMATION ON PROPERTY 1

Property 1 is located at No. 3, Unit 2, Building 6, Hongji Ziyun, East Side of Furongxilu, Qujiang New District, Xi'an, the PRC (中國西安市曲江新區芙蓉西路東側鴻基紫韻6幢2單元3號). The total gross floor area of Property 1 is 319.09 square meters. For the two financial years immediately preceding the Disposal, the net profit/loss before and after tax attributable to Property 1 was nil as the property was idle.

FINANCIAL EFFECT OF THE DISPOSAL

On 31 May 2022, the unaudited net carrying amount of Property 1 was approximately RMB4,882,000 based on the management accounts of the Group. The Group expects to record a net gain before taxation on the Disposal of approximately RMB2,213,000, which is calculated with reference to the abovementioned unaudited net carrying amount of Property 1 of RMB4,882,000 and the net consideration of the Disposal (net of related transaction costs) of RMB7,095,000. The calculation is for illustrative purposes only and the accounting for the Disposal is subject to further review/audit by the auditor of the Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The property was acquired by the Vendor in January 2015. At the time of the acquisition of Property 1, the Company's original plan was to utilise a portion of the Group's then idle cash to purchase Property 1 for investment purpose in light of the uphold trend of the property market in Xi'an. Property 1 has been put on idle for years. Accordingly, the Company is of the view that the Disposal will not have any material adverse effect on the Group's operation. In addition, with reference to the basis for determination of the consideration of Property 1, the consideration for the Disposal is fair and reasonable. The Company is of the view that the proceeds from the Disposal could provide additional cash flow and enhance the working capital situation of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Disposal contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Company has planned that the net proceeds from the disposal will be used for the general working capital of the Group.

LISTING RULES IMPLICATIONS

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GENERAL INFORMATION

Honghui Property, a company established in the PRC, is an indirect wholly-owned subsidiary of the Company and is principally engaged in property management services. The Group is principally engaged in operation of department stores, a shopping mall and supermarkets in the PRC.

The Purchaser is an individual residing in the PRC.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of the Directors
“Company”	Century Ginwa Retail Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Disposal”	the Vendor agreed to sell Property 1 and the Purchaser agreed to purchase Property 1 pursuant to the Sale and Purchase Contract
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Property 1”	a property located at No. 3, Unit 2, Building 6, Hongji Ziyun, East Side of Furongxilu, Qujiang New District, Xi’an, the PRC (西安市曲江新區芙蓉西路東側鴻基紫韻6幢2單元3號)
“Purchaser”	Dong Nan (董楠), an individual residing in the PRC

“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Contract”	the sale and purchase contract for the housing stock transaction dated 20 June 2022 entered into between the Purchaser and the Vendor in relation to the Disposal
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	ordinary shares of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor” or “Honghui Property”	Xi’an Honghui Property Management Company Limited* (西安鴻輝物業管理有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company

By order of the Board
Century Ginwa Retail Holdings Limited
Huang Shunxu
Chairman

Hong Kong, 20 June 2022

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Huang Shunxu, Mr. Qin Chuan, and Ms. Wan Qing; two non-executive Directors, being Mr. Li Yang and Mr. Chen Shuai; and three independent non-executive Directors, being Mr. Tsang Kwok Wai, Mr. Ruan Xiaofeng and Ms. Song Hong.