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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 FUND PARTICIPATING SHARES**

THE DISPOSAL

On 21 February 2023 (after trading hours), the Company, as the Vendor, and CMBCI, as the Purchaser, have entered into the Share Transfer Agreement, pursuant to which the Vendor agreed to dispose of the Participating Shares to the Purchaser, and the Purchaser agreed to purchase the Participating Shares from the Vendor at a consideration of HK\$17,000,000.

LISTING RULES IMPLICATIONS

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 the Listing Rules) in respect of the Disposal exceed 5% but all are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcements of the Company dated 30 December 2020 and 9 April 2021 in relation to investment in the Sub-Fund. On 21 February 2023 (after trading hours), the Company, as the Vendor, and CMBCI, as the Purchaser, have entered into the Share Transfer Agreement, pursuant to which the Vendor agreed to dispose of the Participating Shares to the Purchaser, and the Purchaser agreed to purchase the Participating Shares from the Vendor at a consideration of HK\$17,000,000.

THE SHARE TRANSFER AGREEMENT

The major terms of the Share Transfer Agreement are summarized as below:

Date

21 February 2023

The Parties

- (i) the Company as the Vendor; and
- (ii) CMBCI as the Purchaser. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Purchaser and its ultimate beneficial owners are independent third parties independent of the Group and its connected persons (as defined under the Listing Rules).

Disposal of Interests in The Sub-Fund

The Vendor has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to purchase the Participating Shares.

Consideration and Payment Terms

The consideration for the Disposal is HK\$17,000,000, which will be settled by (or on behalf of) the Purchaser by way of a cashier's order issued by a licensed bank in Hong Kong or by way of wire transfer in immediately available funds to the bank account designated by the Vendor. The consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser after taking into account of (i) the aggregate amount of the original subscription price of the Participating Shares of HK\$17,000,000; and (ii) the net assets of the Participating Shares.

Completion

The Disposal shall be conditional upon:

- (a) written evidence to the Purchaser's satisfaction that other shareholders of HNW Investment Fund for and on behalf of the Sub-Fund have waived their rights of first refusal with respect to the Disposal;
- (b) written evidence to the Purchaser's satisfaction that the Manager has approved the Disposal;

- (c) each party having obtained all required governmental, regulatory and internal approvals, consents and permits in connection with the Disposal in compliance with the laws and regulations, its constitutional documents and applicable listing rules in the region where the securities of the party are listed;
- (d) all the representations and warranties being true, complete and accurate in all material respects and not misleading in any material respect;
- (e) completion by the Purchaser KYC procedure as required by the HNW Investment Fund; and
- (f) receipt by the Purchaser other documents as reasonably required by the Purchaser.

Completion shall take place on the third Business Day after the condition precedents are fulfilled (or waived) (or such other date as may be agreed in writing by the Vendor and the Purchaser).

Financial Impact of the Disposal and Use of Proceeds

The Company accounted for the Participating Shares in the consolidated financial statements as the Company's financial assets measured at fair value through profit or loss before the completion of the Disposal. Upon completion, the Company ceased to hold any interest in the Sub-Fund.

The Company estimates that the Group will record an unaudited loss on the Disposal of approximately HK\$509,200 (calculated by reference to the difference between the unaudited net carrying amount of HK\$17,509,200 in the accounts of the Group as at 31 January 2023 and the disposal price of HK\$17,000,000 of the Participating Shares). The financial impact disclosed above is for illustrative purposes only and any actual gain or loss on the Disposal is subject to review and is dependent on the financial information of the Sub-Fund as at the date of completion.

The Company has planned that the net proceeds from the Disposal will be used to finance the general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal could monetize the investment, thus providing additional cash flow and enhancing the working capital situation of the Group.

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

INFORMATION ABOUT THE COMPANY, THE PURCHASER, HNW INVESTMENT FUND AND THE SUB-FUND

The Company

The Company is a limited liability company incorporated in Bermuda. The Group is principally engaged in operation of department stores, a shopping mall and supermarkets in the PRC.

The Purchaser

As at the date of this announcement, as notified by the Purchaser, the Purchaser is beneficially and wholly-owned by China Minsheng Bank, and is principally engaged in investment and investment holding business. China Minsheng Bank is a joint stock limited company incorporated in the PRC and is principally engaged in provision of corporate and personal banking, treasury business, finance leasing, fund and asset management, investment banking and other financial services in the PRC, the H shares of which are listed on the Stock Exchange (stock code: 1988) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600016).

HNW Investment Fund and the Sub-Fund

HNW Investment Fund is a company registered as a segregated portfolio company with limited liability under the laws of the Cayman Islands. The Sub-Fund is a separate investment portfolio of HNW Investment Fund with investment objective to achieve long-term and steady return through primarily investing, directly or indirectly, through equity interests of holding companies of commercial real estate projects in the PRC. CCB International Asset Management Limited is the Manager of the Sub-Fund. Further details of the Sub-Fund are set out in the Company's announcement dated 30 December 2020.

The Sub-Fund's profit/(loss) before tax and after tax for the two years ended 31 December 2022 are as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022
	(Audited)	(Unaudited)
	(HK\$)	(HK\$)
Net profit/(loss) before taxation	149,784,583	(55,956,065)
Net profit/(loss) after taxation	149,784,583	(55,956,065)

As at 31 January 2023, the Sub-Fund had unaudited total assets of HK\$875,461,789.81 and net assets of HK\$875,461,789.81.

LISTING RULES IMPLICATIONS

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 the Listing Rules) in respect of the Disposal exceed 5% but all are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of the Directors
“Business Day”	any day (excluding Saturdays, Sundays or public holidays) on which banks in Hong Kong are generally open for business
“China Minsheng Bank”	China Minsheng Banking Corp., Ltd. (中國民生銀行股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange (stock code: 1988) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600016)
“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 disposal of the Participating Shares by the Vendor to the Purchaser pursuant to the Share Transfer Agreement
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HNW Investment Fund”	HNW Investment Fund Series SPC, an exempted company registered as a segregated portfolio company under the laws of the Cayman Islands with limited liability

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	CCB International Asset Management Limited, the manager appointed as manager in respect of the Sub-Fund
“participating shares”	the non-voting participating shares with a nominal value of USD 0.001 each of the Sub-Fund
“Participating Shares”	the participating shares in the Sub-Fund in an aggregate amount of HKD 17,000,000 held by the Company before the completion of the Disposal, representing 2% of the total equity of the Sub-Fund
“PRC”	the People’s Republic of China
“Purchaser” or “CMBCI”	CMBC International Investment (HK) Limited (民銀國際投資(香港)有限公司), a company incorporated in Hong Kong with limited liability
“Share Transfer Agreement”	the share transfer agreement dated 21 February 2023, entered into between the Purchaser and the Vendor in relation to the Disposal
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	ordinary shares with a nominal value of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-Fund”	Serica Segregated Portfolio, a separate portfolio created by HNW Investment Fund
“%”	per cent

For the purpose of illustration only, conversion of USD into HK\$ in this announcement is based on the exchange rate of USD 1 to HK\$7.8. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate at the relevant dates.

By order of the Board
Century Ginwa Retail Holdings Limited
Yao Jiangang
Chairman

Hong Kong, 21 February 2023

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