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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 profit for the six months ended 30 June 2009 due to (i) the general decline in local consumption power and (ii) the effects of the renovation, reallocation and reduction of sales floor area for the purpose of the improvement of certain existing stores.

Despite the lower profit for the six months ended 30 June 2009, 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 in the process of finalizing its interim results for the six months ended 30 June 2009, the information in this announcement is based on a preliminary assessment by the Company’s management according to the management accounts of the Group. Further details of the Group’s performance will be disclosed when the Group’s interim results for the six months ended 30 June 2009 are announced.

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 Lu Kun
Chairman

Shenzhen, the PRC, 4 August 2009

As at the date of this announcement, the Directors are:

Executive Directors: Mr. Zhuang Lu Kun, Mr. Zhuang Pei Zhong and Mr. Gu Wei Ming and Mr. Zhuang Xiao Xiong

Independent non-executive Directors: Mr. Chin Kam Cheung, Dr. Guo Zheng Lin, Mr. Ai Ji