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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)

### **CLARIFICATION ANNOUNCEMENT ANNUAL REPORT 2011**

Reference is made to the annual report 2011 (the “Annual Report”) of Century Ginwa Retail Holdings Limited (the “Company”) dated 22 March 2012. This announcement is published for the purpose of providing additional information the Annual Report. Shareholders should note the following information should be read in conjunction with the Annual Report:

1. Under the section headed “Connected Transaction” on page 25 of the Annual Report, the paragraph “Continuing Connected Transaction” on pages 26-27 of the Annual Report and the paragraphs on pages 158-159 under note 35 to the financial statements of the Annual Report, the Board wishes to further state that details of the significant related party transactions undertaken in the normal course of business of the Group are provided under note 35 to the financial statements. None of these related party transactions constitutes a connected transaction or continuing connected transaction as defined under the Listing Rules that is required to be disclosed, except for those described above in the paragraphs headed “(1) Connected transactions” and “(2) Continuing connected transactions”, in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.
2. Under note 30 to the financial statements on page 142 of the Annual Report, it is stated that “Pursuant to the above equity transfer agreement, the Group is liable to pay additional consideration to Grand Well with reference to the pre-acquisition retained profits of the Ideal Mix Group upon the fulfilment of certain conditions by the equity shareholder of Grand Well. The directors of the Company was in the midst of estimating the fair value of such contingent consideration on the acquisition date and as of 30 June 2011 and therefore the contingent consideration was provisionally recorded at HK\$Nil in the Company’s interim report for the six month period ended 30 June 2011. The directors of the Company subsequently determined the fair value of the above mentioned contingent consideration at the acquisition date to be RMB33.4 million (equivalent to HK\$40.8 million) and made an adjustment to

retrospectively adjust the provisional amounts previously recognised”. The Company wishes to clarify that such sentences shall be read as “Pursuant to the above equity transfer agreement, all the pre-acquisition retained profits of Ideal Mix Group belong to Grand Well. The directors of the Company was in the midst of estimating the balance of such pre-acquisition retained profits on the acquisition date and as of 30 June 2011 and therefore the pre-acquisition retained profits was provisionally recorded at HK\$Nil in the Company’s interim report for the six month period ended 30 June 2011. The directors of the Company subsequently determined the amount of the pre-acquisition retained profits at the acquisition date to be RMB33.4 million (equivalent to HK\$40.8 million) and made an adjustment to retrospectively adjust the provisional amounts previously recognised”.

Save as disclosed above, all other information contained in the Annual Report remains unchanged.

On behalf of the board of  
**Century Ginwa Retail Holdings Limited**  
**Choon Hoi Kit, Edwin**  
*Chief Executive Officer*

Hong Kong, 16 May 2012

*As at the date of this announcement, the Board comprises four executive directors, being Mr. Qiu Zhongwei, Mr. Choon Hoi Kit, Edwin, Mr. Qu Jiaqi and Mr. Sha Yingjie; two non-executive directors, being Mr. Wu Yijian and Mr. Chen Shuai; and three independent non-executive directors, being Mr. Chan Wai Kwong, Peter, Mr. Tsang Kwok Wai and Ms. Li Ling.*