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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(2)(a) 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 wishes to inform the Shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated financial statements of the Group for the year ended 31 December 2022, the Group is expected to record a net loss of not more than RMB109,000,000 for the year ended 31 December 2022, as compared to net loss of approximately RMB100,114,000 for the year ended 31 December 2021. It is mainly attributable to:

- (a) Net operating loss has been incurred by most of our major stores as a result of general decline in local consumption power and the lockdown measures due to the outbreak of the novel coronavirus pneumonia pandemic (the “**Pandemic**”) in China since January 2020;
- (b) There was impairment loss on property, plant and equipment and right-of-use assets of approximately RMB 16,806,000 incurred in last year; and
- (c) Net decrease in fair value on investment property of approximately RMB15,600,000.

The Company is in the process of preparing the annual results announcement of the Group for the year ended 31 December 2022. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the latest unaudited consolidated financial statements of the Group for the year ended 31 December 2022 currently available to the Board which have not been audited or reviewed by the auditor or audit committee of the Company and is subject to adjustments as may be required. The actual results of the Group for the year ended 31 December 2022 may be different from the disclosure herein. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2022.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Jiahua Store Holdings Limited
Zhuang Pei Zhong
Executive Director and CFO

Shenzhen, the PRC, 17 March 2023

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