



CENTURY GINWA ANNOUNCES 2013 INTERIM RESULTS

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**SUBSTANTIAL INCREASE IN SALES COMMISSION RATE DRIVES PROFIT GROWTH
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS INCREASES BY 21% TO
APPROXIMATELY HK\$242.9 MILLION**

Financial Highlights

HK\$ Million	Six Months Ended 30 June		Change
	2013	2012	
Gross Revenue	3,060.4	2,968.8	+3%
Same Store Sales Growth	-	-	+3%
Turnover	979.2	872.5	+12%
EBITDA	328.2	245.9	+33%
EBIT (Profit from Operations)	246.4	200.4	+23%
Profit for the Period	260.7	219.7	+19%
Profit Attributable to Equity Holders of the Company	242.9	200.7	+21%

(13 August 2013, Hong Kong) – **Century Ginwa Retail Holdings Limited** (“Century Ginwa” or the “Group”) (stock code: 162) announced its interim results for the six months ended 30 June 2013.

During the period under review, a strong increase in demand of high-end consumption was evident in northwest China as the proportion of the population there earning a higher income expands, driving the satisfactory growth of the Group’s business. Both turnover and profit attributable to equity holders reached record highs of HK\$979.2 million and HK\$242.9 million respectively, representing increases of 12% and 21% when compared to the same period last year. Same store sales growth was 3%. Basic earnings per share were approximately HK\$0.105 (1H2012: HK\$0.196).

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2013.

Mr Wu Yijian, Chairman of Century Ginwa, said, “The global economy remained unstable during the first half of 2013, which inevitably affected both exports and domestic demand in China and combining to slow down economic growth. However, the economic growth in northwest China was not appreciably slowed by the adverse macroeconomic environment. This trend plus the excellent customer services and outstanding sales and promotion strategies of the Group as a leading local retail enterprise have enabled us to capture the increasing demand for high-end consumption driven by the population earning high disposable income in the region during the period to achieve satisfactory results.”

Last year, the Group has signed a cooperative agreement with SAP, a leading international enterprise resources planning system company, with effective implementation of the system in August this year, making it an industry pioneer in possessing an advanced corporate resources and information management platform. With effective implementation of the enterprise resources planning system, the Group is able to adopt global best practices to optimise the operating and management processes and unify a management platform, so as to generate timely and accurate information and enhance operating efficiency. At the same time, the Group could more readily create synergies among various channels and enhance collaborations among different operations, as well as support more distribution channels such as e-commerce. This enables the Group to fully realise its competitive advantages of existing brands and current customers while consolidating the operations of shopping malls, department stores and supermarkets, thus laying a solid foundation for the development of its entire scope of operations.

Looking ahead, global economic growth remains fragile, so the consumer and retail industry in China remains challenging. However, with abundant natural resources and favourable government policies, northwest China’s economy is expected to maintain significant economic growth. As the progress towards a high-end consumption market in the region is still at an early stage, the development potential is huge. The Group is poised to seize this opportunity and will continue to strengthen its leading position in the region. At the same time, the Group plans to replicate its successful business growth strategy elsewhere in the northwest region including Shaanxi, Xinjiang, Ningxia and Inner Mongolia etc., further expanding its retail network and exploring acquisition opportunities as it drives to become one of the leading department store and supermarket operators in the PRC.

Furthermore, to expand income sources from different operations, the Group will develop a brand agency business by introducing famous brands from China and overseas into the northwest market, thus offering more quality choices to its customers.

The Group will also provide a better operations management service to franchisees. The Group will adhere to the principle of prudent financial management by implementing stringent cost controls and enhancing management efficiency. As the enterprise resource management system progressively expands its scale of operations and delivers greater efficiency, the Group intends to invest more resources in developing online stores, logistics services and supermarket businesses.

Mr. Wu Yijian concluded, “The Group is prudently optimistic about the economic development and prospects for domestic consumption growth in China. With a strong brand, an excellent operating efficiency, a satisfactory financial performance and a loyal customer base, we are highly confident we can maintain our industry leadership, and strive to bring better returns to our shareholders.”

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About Century Ginwa Retail Holdings Limited (Stock code: 162)

Century Ginwa is a leading operator of shopping malls, department stores and supermarkets targeting the mid-range to high-end customer segment in northwestern China. It has established an extensive retail network comprising seven department stores and seven supermarkets in Shaanxi Province and one department store in Urumqi, and it also has several prime commercial properties strategically located at prime business districts. The department stores operated by Century Ginwa feature merchandises over 1,000 brands, including many renowned international brands which have opened concession counters, as well as items from a number of international first- and second-tier brands, in turn boosting its own brand position. Going forward, Century Ginwa will actively seek merger and acquisition opportunities in northwestern China to further expand its market share and coverage.

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