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SHIRBLE DEPARTMENT STORE
歲寶百貨

Shirble Department Store Holdings (China) Limited
歲寶百貨控股(中國)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00312)

PROFIT WARNING

This announcement is made by the board (the "**Board**") of directors (the "**Directors**") of Shirble Department Store Holdings (China) Limited (the "**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 (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The Board wishes to inform the shareholders (the "**Shareholders**") of the Company and prospective investors of the shares of the Company that the net profit attributable to owners of the Company for the year ended 31 December 2017 would decrease by 20% to 25%, as compared with the same for the year ended 31 December 2016, primarily due to the following reasons:

(1) unrealised exchange loss of approximately RMB21.5 million due to the change of certain bank deposit of the Group from RMB into US dollars;

(2) the decrease in recognition of the deferred income in respect of unused pre-paid gift cards issued by the Group of approximately RMB4.8 million;

(3) slight decreases in the sales revenue generated from certain department stores of the Group in the PRC because of a combination of factors, such as the increase popularity of online sales in the PRC and unexpected changes in consumers' preference; and

(4) decrease in net finance income as a result of cash deposit used for acquisition of properties in Shenzhen and Changsha in 2017 of RMB23.7 million.

The Board is in the process of finalising the unaudited consolidated annual results of the Group for the year ended 31 December 2017. The Board is of the view that the unrealised exchange loss would have no impact on the core business and the cash position of the Group.

Information contained in this announcement is based on the preliminary information available to the Board and the unaudited consolidated management accounts of the Group and has yet to be reviewed or confirmed by the auditor of the Company and the audit committee of the Board and may be different from the audited consolidated annual results of the Group for the year ended 31 December 2017. The results announcement of the Company for the year ended 31 December 2017 will be published by the Company by the end of March 2018 in full compliance with the requirements under the Listing Rules.

Shareholders and prospective investors of the shares of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Shirble Department Store Holdings (China) Limited
YANG Xiangbo
Chairman

Hong Kong, 9 February 2018

As of the date of this announcement, the Board is comprised of six Directors, namely Mr. YANG Xiangbo (Chairman) and Mr. YANG Ti Wei (Chief Executive Officer) as the executive Directors and Ms. ZHAO Jinlin, Mr. CHEN Fengliang, Mr. JIANG Hongkai, and Mr. FOK Hei Yu as the independent non-executive Directors.