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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)

**INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

FINANCIAL HIGHLIGHTS

The following sets forth a summary of the unaudited consolidated results of the Group for the six months ended 30 June 2021:

- Revenue was RMB116.0 million, representing a decrease of 63.6%, as compared to RMB317.9 million for the same period in 2020;
- Operating loss was RMB180.3 million, as compared to operating profit RMB117.0 million for the same period in 2020;
- Loss attributable to owners of the Company was RMB215.7 million, as compared to profit attributable to owners of the Company of RMB21.8 million for the same period in 2020;
- Basic loss per share was RMB0.09, as compared to basic earnings per share was RMB0.01 for the same period in 2020; and
- Net asset value per share as at 30 June 2021 was RMB0.76, as compared to RMB0.85 as at 31 December 2020.

INTERIM DIVIDEND

In view of the loss attributable to owners of the Company for the six months ended 30 June 2021, the Board does not recommend any interim dividend for the six months ended 30 June 2021.

I. INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board (the “**Board**”) of directors (the “**Directors**”) of Shirble Department Store Holdings (China) Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2021, together with the comparative figures for the six months ended 30 June 2020.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

		Six months ended 30 June	
		2021	2020
	Note	RMB'000 (unaudited)	RMB'000 (unaudited)
Revenue	5	115,951	317,894
Other operating revenue	6	17,402	20,102
Other losses – net	7	(117,232)	(5,406)
Fair value adjustment on investment properties	13	(70,906)	(66,488)
Purchase of and changes in inventories	8	(6,516)	(9,751)
Employee benefit expenses	8	(47,449)	(76,486)
Depreciation and amortisation expenses	8	(12,044)	(14,784)
Net impairment losses on financial and contract assets	8	(7,884)	–
Other operating expenses – net	8	(51,657)	(48,131)
Operating (loss)/profit		(180,335)	116,950
Finance income	9	5,132	6,215
Finance costs	9	(38,480)	(42,714)
Finance costs – net	9	(33,348)	(36,499)
Share of losses of an associate and a joint venture		–	(5)
(Loss)/profit before income tax		(213,683)	80,446
Income tax expenses	10	(2,056)	(58,664)
(Loss)/profit for the period		(215,739)	21,782
(Loss)/profit attributable to:			
Owners of the Company		(215,721)	21,785
Non-controlling interests		(18)	(3)
(Loss)/profit for the period		(215,739)	21,782
(Loss)/earning per share for the (loss)/profit attributable to owners of the Company during the period (expressed in RMB per share)			
– Basic and diluted	12	(0.09)	0.01

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2021	2020
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
(Loss)/profit for the period	(215,739)	21,782
Other comprehensive income:		
<i>Item that may be reclassified to profit or loss:</i>		
Currency translation differences	384	(1,278)
Other comprehensive income for the period	384	(1,278)
Total comprehensive (loss)/income for the period	(215,355)	20,504
Attributable to:		
Owners of the Company	(215,337)	20,507
Non-controlling interests	(18)	(3)
Total comprehensive (loss)/income for the period	(215,355)	20,504

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		As at 30 June 2021 <i>RMB'000</i> (unaudited)	As at 31 December 2020 <i>RMB'000</i> (audited)
	<i>Note</i>		
ASSETS			
Non-current assets			
Investment properties	13	2,572,890	2,601,561
Property, plant and equipment	14	241,353	253,817
Intangible assets		6,217	8,204
Investment in an associate and a joint venture		–	739
Deferred income tax assets		22,544	19,664
Other receivables and prepayments	16	603,865	712,652
		<u>3,446,869</u>	<u>3,596,637</u>
Current assets			
Inventories		8,879	9,123
Financial assets at fair value through profit or loss	15	142,386	258,285
Trade receivables, other receivables and prepayments	16	322,533	245,287
Restricted bank deposits		33,232	32,409
Cash and cash equivalents		78,168	106,784
		<u>585,198</u>	<u>651,888</u>
Total assets		<u>4,032,067</u>	<u>4,248,525</u>

		As at 30 June 2021 RMB'000 (unaudited)	As at 31 December 2020 RMB'000 (audited)
	<i>Note</i>		
EQUITY			
Share capital		213,908	213,908
Share premium		750,992	751,091
Shares held for share award scheme		(214)	(214)
Other reserves		444,012	443,628
Retained profits		482,127	697,848
Equity attributable to the owners of the Company		1,890,825	2,106,261
Non-controlling interests		12,096	12,555
Total equity		1,902,921	2,118,816
LIABILITIES			
Non-current liabilities			
Lease liabilities		975,166	1,011,098
Deferred income tax liabilities		214,953	210,017
Borrowings	19	274,853	266,550
		1,464,972	1,487,665
Current liabilities			
Lease liabilities		81,338	86,144
Trade and other payables	17	209,461	186,768
Contract liabilities	18	44,933	60,875
Borrowings	19	126,667	105,503
Income tax payable		201,775	202,754
		664,174	642,044
Total liabilities		2,129,146	2,129,709
Total equity and liabilities		4,032,067	4,248,525

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 5 November 2008 as an exempted company with limited liability under the Companies Law, (Cap. 22) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is principally engaged in investment holding. The principal activities of the Company and its subsidiaries (together, the “**Group**”) are department store operations, property development and provision of property development consulting services in The People’s Republic of China (the “**PRC**”).

2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2021 (“**the interim period**”) has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting”. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”).

Going concern

As at 30 June 2021, the Group’s current liabilities exceeded its current assets by RMB79.0 million. The total capital commitments of the Group amounted to RMB464.6 million, mainly relating to acquisition of land and a company (Note 20) which will be delivered in stages in the coming years.

The Directors have reviewed the Group’s cash flow forecasts, covering a period of not less than twelve months from 30 June 2021. The forecasts are prepared based on several assumptions including revenue and operating cost projections, leasing occupancy rate, disposal of asset, internal resources available, banking facilities that have been granted or will be granted, other available sources of financing, and the amount of capital commitments. On this basis, the Directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations, including those capital commitments in the next twelve months from 30 June 2021. Accordingly, the Directors consider that the Group will be able to continue as a going concern and have prepared the interim condensed consolidated financial information on a going concern basis.

3. CHANGES IN ACCOUNTING POLICIES AND USE OF JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in those annual financial statements, except for the adoption of amendments to IFRSs effective for the financial year beginning on 1 January 2021.

(a) New and amended standards adopted by the Group

		Effective for annual periods beginning on or after
Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16	Interest Rate Benchmark Reform – Phase 2	January 1, 2021

Amendments to IFRSs effective for the financial year ending 31 December 2021 do not have a material impact on the Group.

(b) Impact of standards issued but not yet applied by the Group

The following new and amended standards that have been issued but not effective for the financial year beginning on 1 January 2021 and have not been early adopted:

		Effective for annual periods beginning on or after
Amendments to IFRS 3	Reference to the conceptual framework	January 1, 2022
Amendments to IAS 37	Cost of fulfilling a contract	January 1, 2022
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use	January 1, 2022
Annual improvements project	Annual improvements 2018-2020 cycle	January 1, 2022
Amendments to IAS 1	Classification of liabilities as current or non-current	January 1, 2023
IFRS 17	Insurance contracts	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is yet to assess the impact of the above new standards and amendments to existing standards on the Group's interim condensed consolidated financial statements.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their business operations and has three reportable operating segments as follows:

- Department store business – operation of department stores;
- Property business – property development business and provision of property development consulting services; and
- Others – unallocated items, comprising mainly head office overheads.

The Board assesses the performance of the operating segments based on a measure of net profit. No information regarding segment assets and segment liabilities is provided to the Board.

The Group's revenue and non-current assets are mainly attributable to the market in PRC. No geographical information is therefore presented.

The segment information is as follows:

	Six months ended 30 June 2021 (unaudited)			
	Department store business <i>RMB'000</i>	Property business <i>RMB'000</i>	Others <i>RMB'000</i>	Group <i>RMB'000</i>
Revenue	115,951	–	–	115,951
Timing of revenue recognition				
At a point in time	7,968	–	–	7,968
Over time	107,983	–	–	107,983
Other operating revenue	17,402	–	–	17,402
Other gain/(losses) – net	1,523	(115,993)	(2,762)	(117,232)
Fair value adjustment on investment properties	(70,906)	–	–	(70,906)
Purchase of and changes in inventories	(6,516)	–	–	(6,516)
Employee benefit expenses	(32,007)	(11,729)	(3,713)	(47,449)
Depreciation and amortisation expenses	(7,635)	–	(4,409)	(12,044)
Net impairment losses on financial and contract assets	(7,884)	–	–	(7,884)
Other operating expenses, net	(46,053)	(31)	(5,573)	(51,657)
Operating loss	(36,125)	(127,753)	(16,457)	(180,335)
Finance income	5,128	–	4	5,132
Finance costs	(35,743)	(2,630)	(107)	(38,480)
Finance costs – net	(30,615)	(2,630)	(103)	(33,348)
Loss before income tax	(66,740)	(130,383)	(16,560)	(213,683)
Income tax expenses	(2,056)	–	–	(2,056)
Loss for the period	(68,796)	(130,383)	(16,560)	(215,739)

Six months ended 30 June 2020 (unaudited)				
	Department store business <i>RMB'000</i>	Property business <i>RMB'000</i>	Others <i>RMB'000</i>	Group <i>RMB'000</i>
Revenue	135,317	182,577	–	317,894
Timing of revenue recognition				
At a point in time	32,955	–	–	32,955
Over time	102,362	182,577	–	284,939
Other operating revenue	20,102	–	–	20,102
Other gain/(losses) – net	17,211	(22,617)	–	(5,406)
Fair value adjustment on investment properties	(66,488)	–	–	(66,488)
Purchase of and changes in inventories	(9,751)	–	–	(9,751)
Employee benefit expenses	(35,498)	(35,089)	(5,899)	(76,486)
Depreciation and amortisation expenses	(10,375)	–	(4,409)	(14,784)
Other operating expenses – net	(42,661)	(196)	(5,274)	(48,131)
Operating profit/(loss)	<u>7,857</u>	<u>124,675</u>	<u>(15,582)</u>	<u>116,950</u>
Finance income	6,182	31	2	6,215
Finance costs	<u>(39,194)</u>	<u>(2,864)</u>	<u>(656)</u>	<u>(42,714)</u>
Finance costs – net	(33,012)	(2,833)	(654)	(36,499)
Share of losses of an associate and a joint venture	<u>(5)</u>	<u>–</u>	<u>–</u>	<u>(5)</u>
Profit/(loss) before income tax	(25,160)	121,842	(16,236)	80,446
Income tax expenses	<u>(19,127)</u>	<u>(39,537)</u>	<u>–</u>	<u>(58,664)</u>
Profit/(loss) for the period	<u>(44,287)</u>	<u>82,305</u>	<u>(16,236)</u>	<u>21,782</u>

5. REVENUE

	<i>Note</i>	Six months ended 30 June	
		2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Rental income		107,983	102,362
Direct sales		6,913	10,121
Commission from concessionaire sales		357	311
Income from reversal of long-aged pre-paid gift card and unredeemed awarded credits	(i)	698	22,523
Property development consulting service income	(ii)	–	182,577
		<u>115,951</u>	<u>317,894</u>

Notes:

- (i) As at 30 June 2021, the Group reviewed the aging of the unredeemed prepaid cards and the unredeemed awarded credits and revised the balance aging over five years amounting to RMB698,000 (2020: RMB22,523,000).
- (ii) In April 2019, the Group entered into consultancy agreements (the “**Original Consultancy Agreements**”) with Shenzhen Shengrunfeng Investment & Development Co., Ltd (“**SRF**”) and Shenzhen Hexinglong Industrial Co., Ltd (“**HXL**”) to provide property development consulting services. SRF and HXL are ultimately controlled by the controlling shareholder of the Group. The consulting services included but not limited to project development and strategic advisory services for the establishment of a project team, as well as systematic analysis and consulting services for the full-cycle development, financial and capital management of two property projects in Shenzhen.

On 30 December 2020, the Group entered into two termination agreements (the “**Termination Agreements**”) with SRF and HXL for the purpose of terminating the property development consulting services effective from 30 December 2020 (the “**Termination Date**”). The service fees and the related expenses payable to the Group of RMB447.9 million for the period from 8 April 2019 up to 30 December 2020 will continue to be payable by SRF and HXL pursuant to the terms of the Termination Agreements. As of 30 June 2021, RMB35.9 million have been received from SRF and HXL, and the remaining RMB412.0 million was included in amounts due from related companies.

Effective from the Termination Date, each of the Group, SRF and HXL will be released from their respective obligations under the Original Consultancy Agreements. The Group will not be required to provide consulting services to SRF and HXL, and SRF and HXL will be under no obligation to pay any additional service fee (other than the service fee accrued and payable before the Termination Date) to the Group after the Termination Date.

6. OTHER OPERATING REVENUE

	Six months ended 30 June	
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Promotion, administration and management income	15,522	18,662
Credit card handling fees for concessionaire sales	970	603
Government grant	910	837
	<u>17,402</u>	<u>20,102</u>

7. OTHER LOSSES – NET

	<i>Note</i>	Six months ended 30 June	
		2021	2020
		RMB'000	RMB'000
Deposit forfeited for terminated of leasing agreement		2,193	–
Gain from rent concession	(i)	–	9,401
Gain from termination of lease	(ii)	–	8,638
Fair value change on financial assets at FVPL (<i>Note 15</i>)		(115,873)	(22,533)
Loss on disposal of property, plant and equipment		(2,715)	(507)
Accrual of legal claims		–	(1,798)
Others		(837)	1,393
		(117,232)	(5,406)

Notes:

- (i) Certain lessors agreed to offer rent concession to the Group, without changing the lease contracts, due to the outbreak of COVID-19. The Group recognised a gain of RMB9,401,000 of such rent concession for the period ended 30 June 2020 with a corresponding reduction in the lease liabilities.
- (ii) For the period ended 30 June 2020, the Group has agreed with the lessor and the tenants of Hongling Store on early termination of the related lease contracts as a result of the closure of Hongling Store. A net gain of RMB8,638,000 was recognised resulting from the derecognition of related right-of-use assets and lease liabilities as the lessee as well as the derecognition of related finance lease receivables as the lessor.

8. EXPENSES BY NATURE

Expenses included in purchase of and changes in inventories, employee benefits, operating lease rental expenses, depreciation and amortisation, and other operating expenses were analysed as follows:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Purchase of and changes in inventories	6,516	9,751
Employee benefit expenses	47,449	76,486
Depreciation and amortisation expenses	12,044	14,784
Utilities	28,566	26,084
Fee received by auditors for other professional service	600	650
Other tax expenses	4,509	4,121
Business travel expenses	3,874	4,030
Cleaning fee	1,973	1,799
Net impairment losses on financial and contract assets	7,884	–
Net impairment loss on investment in an associate	739	–
Other expenses	11,396	11,447
	125,550	149,152

9. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
Interest income from finance leases	4,857	5,627
Interest income from bank deposits	275	588
	<u>5,132</u>	<u>6,215</u>
Finance costs		
Interest expenses on operating leases as the lessee	(26,826)	(30,179)
Interest expenses on bank loans	(11,654)	(12,535)
	<u>(38,480)</u>	<u>(42,714)</u>
Finance costs – net	<u>(33,348)</u>	<u>(36,499)</u>

10. INCOME TAX EXPENSES

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
– PRC corporate income tax	–	45,054
Deferred income tax	2,056	13,610
	<u>2,056</u>	<u>58,664</u>

- (i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.
- (ii) Hong Kong profits tax has not been provided as the Group did not generate any assessable profits in Hong Kong during the interim period. Taxes on overseas profits have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.
- (iii) The applicable income tax rate is 25% (2020: 25%) for general subsidiaries. Certain of the Company's PRC subsidiaries are entitled to small and micro entity tax credit, which enjoys the 20% tax rate and a 50% deduction of taxable income.

11. DIVIDENDS

Pursuant to the resolutions passed by the Board of Directors of the Company held on 20 August 2020, an interim dividend of HK\$0.0029 (equivalent to approximately RMB0.0026) per share, amounting to HK\$7,235,500 (equivalent to approximately RMB6,487,000) out of the share premium account for the six months ended 30 June 2020 was approved and paid by the Company.

In view of the loss attributable to owners of the Company for the year ended 31 December 2020 and for the six months ended 30 June 2021, the Board does not recommend any final dividend and interim dividend for the year ended 31 December 2020 and for the six months ended 30 June 2021.

12. (LOSS)/EARNING PER SHARE

(i) Basic

Basic (loss)/earning per share is calculated by dividing the (loss)/earning attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period. The repurchases of the Company's own ordinary shares was reflected in the weighted average number of ordinary shares in issue from the date shares were repurchased.

	Six months ended 30 June	
	2021	2020
(Loss)/profit attributable to owners of the Company (in RMB thousands)	(215,721)	21,785
Weighted average number of ordinary shares in issue (thousands)	<u>2,494,429</u>	<u>2,494,429</u>
Basic (loss)/earning per share (RMB per share)	<u>(0.09)</u>	<u>0.01</u>

(ii) Diluted

The awarded shares granted by the Company have potential dilutive effect on the earning per share. Diluted earning per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from awarded shares granted by the Company. No adjustment is made to earnings (numerator).

	Six months ended 30 June	
	2021	2020
<u>(Loss)/earning (in RMB thousands)</u>		
(Loss)/profit attributable to owners of the Company	<u>(215,721)</u>	<u>21,785</u>
<u>Weighted average number of ordinary shares (thousands)</u>		
Weighted average number of ordinary shares in issue	<u>2,494,429</u>	<u>2,494,429</u>
Weighted average number of ordinary shares for diluted earning per share	<u>2,494,429</u>	<u>2,494,429</u>
Diluted (loss)/earning per share (RMB per share)	<u>(0.09)</u>	<u>0.01</u>

13. INVESTMENT PROPERTIES

	Land and buildings <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2021			
At 1 January 2021	1,135,549	1,466,012	2,601,561
Capitalised subsequent expenditure	3,441	38,794	42,235
Net losses from fair value adjustment	<u>–</u>	<u>(70,906)</u>	<u>(70,906)</u>
As at 30 June 2021	<u>1,138,990</u>	<u>1,433,900</u>	<u>2,572,890</u>
Six months ended 30 June 2020			
At 1 January 2020	1,135,250	1,571,100	2,706,350
Capitalised subsequent expenditure	29,468	9,115	38,583
Net losses from fair value adjustment	<u>(19,018)</u>	<u>(47,470)</u>	<u>(66,488)</u>
As at 30 June 2020	<u>1,145,700</u>	<u>1,532,745</u>	<u>2,678,445</u>

As at 30 June 2021, the Group had no unprovided contractual obligations for future repairs and maintenance (31 December 2020: Nil).

The fair value of the Group's investment properties falls under level 3 in the fair value hierarchy.

14. PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2021			
As at 1 January 2021	244,775	9,042	253,817
Additions	1,939	–	1,939
Disposals	(2,876)	(1,470)	(4,346)
Depreciation charge (<i>Note 8</i>)	(4,188)	(5,869)	(10,057)
As at 30 June 2021	<u>239,650</u>	<u>1,703</u>	<u>241,353</u>
Six months ended 30 June 2020			
As at 1 January 2020	251,655	51,731	303,386
Additions	2,651	–	2,651
Disposals	(534)	(28,740)	(29,274)
Depreciation charge (<i>Note 8</i>)	(4,602)	(8,080)	(12,682)
As at 30 June 2020	<u>249,170</u>	<u>14,911</u>	<u>264,081</u>

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unlisted equity securities <i>RMB'000</i>	Listed equity securities <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2021			
As at 1 January 2021	4,020	254,265	258,285
Fair value change recognised in profit or loss (<i>Note 7</i>)	–	(115,873)	(115,873)
Currency translation difference	(26)	–	(26)
As at 30 June 2021	<u>3,994</u>	<u>138,392</u>	<u>142,386</u>
Six months ended 30 June 2020			
As at 1 January 2020	4,288	318,372	322,660
Fair value change recognised in profit or loss (<i>Note 7</i>)	84	(22,617)	(22,533)
As at 30 June 2020	<u>4,372</u>	<u>295,755</u>	<u>300,127</u>

16. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

As at 30 June 2021				
	<i>Note</i>	Current <i>RMB'000</i>	Non-current <i>RMB'000</i>	Total <i>RMB'000</i>
Trade receivables	(i)	2,937	–	2,937
Amounts due from related parties		94,236	317,746	411,982
Receivables from operating lease	(ii)	39,766	77,635	117,401
Receivables from finance leases		22,112	126,852	148,964
Interest receivables		74	–	74
Receivable from a trustee for the share purchase for the employees' share award scheme	(iii)	200	–	200
Lease deposits		7,935	16,601	24,536
Other receivables		35,085	–	35,085
		202,345	538,834	741,179
Less: provision for impairment loss allowance		(47,661)	–	(47,661)
Financial assets at amortised cost		154,684	538,834	693,518
Prepayments		167,849	65,031	232,880
Total trade and other receivables		322,533	603,865	926,398

As at 31 December 2020				
	<i>Note</i>	Current <i>RMB'000</i>	Non-current <i>RMB'000</i>	Total <i>RMB'000</i>
Trade receivables	(i)	1,716	–	1,716
Amounts due from related parties		20,000	418,092	438,092
Receivables from operating leases	(ii)	53,526	57,315	110,841
Receivables from finance leases		20,994	134,655	155,649
Interest receivables		296	–	296
Receivable from a trustee for the share purchase for the employees' share award scheme	(iii)	53	–	53
Lease deposits		9,217	17,003	26,220
Other receivables		35,099	–	35,099
		140,901	627,065	767,966
Less: provision for impairment loss allowance		(39,777)	–	(39,777)
Financial assets at amortised cost		101,124	627,065	728,189
Prepayments		144,163	85,587	229,750
Total trade and other receivables		245,287	712,652	957,939

Notes:

(i) Trade receivables

The trade receivables are receivables of sales from corporate customers.

The aging analysis of the trade receivables of the Group based on invoice date is as follows:

	As at	
	30 June 2021 RMB'000	31 December 2020 RMB'000
0 – 30 days	<u>2,937</u>	<u>1,716</u>

All trade receivables are denominated in RMB and their carrying amounts approximate their fair values as at 30 June 2021.

(ii) Right-of-use assets for property leases which had been subleased out under operating leases were recognised as receivables from operating leases, including the accrual on rental income based on the straight-line method.

The aging analysis of receivables from operating leases of the Group based on invoice date is as follows:

	As at	
	30 June 2021 RMB'000	31 December 2020 RMB'000
Current	75,564	66,164
0 - 30 days	5,058	4,637
31 - 90 days	7,056	8,083
91 - 365 days	20,359	26,394
More than 365 days	<u>9,364</u>	<u>5,563</u>
	<u>117,401</u>	<u>110,841</u>

(iii) This receivable represented the Group's cash paid to an independent trustee for the purchase of the award shares for the employees' share award scheme.

17. TRADE AND OTHER PAYABLES

	<i>Note</i>	As at	
		30 June	31 December
		2021	2020
		<i>RMB'000</i>	<i>RMB'000</i>
Lease deposits		88,954	84,076
Other tax payables		56,470	43,962
Accrued wages and salaries		10,060	15,453
Accrual for legal claims		6,311	6,311
Trade payables	(i)	1,507	1,346
Amount due to a related party		231	221
Other payables and accruals		45,928	35,399
		<u>209,461</u>	<u>186,768</u>

All trade and other payables are denominated in RMB and their fair values approximate their carrying amounts as at the balance sheet date.

Note:

- (i) The aging analysis of the trade payables of the Group were as follows:

	As at	
	30 June	31 December
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
0 – 30 days	<u>1,507</u>	<u>1,346</u>

18. CONTRACT LIABILITIES

	<i>Note</i>	As at	
		30 June	31 December
		2021	2020
		<i>RMB'000</i>	<i>RMB'000</i>
Advances received from customers	(i)	41,302	57,029
Deferred income	(ii)	<u>3,631</u>	<u>3,846</u>
		<u>44,933</u>	<u>60,875</u>

Notes:

- (i) The amount mainly represented cash received for prepaid cards sold.
- (ii) The amount mainly represented the carrying amount of unredeemed awarded credits.

19. BORROWINGS

		As at	
		30 June 2021	31 December 2020
	Note	RMB'000	RMB'000
Non-current			
Secured long-term bank borrowings	(i)	<u>274,853</u>	<u>266,550</u>
Current			
Current portion of secured long-term bank borrowings	(i)	26,667	26,667
Secured short-term borrowing	(ii)	100,000	–
Unsecured short-term borrowing	(iii)	<u>–</u>	<u>78,836</u>
		<u>126,667</u>	<u>105,503</u>
		<u>401,520</u>	<u>372,053</u>

Notes:

- (i) The Group's long-term bank borrowings were denominated in RMB and secured by certain buildings at the fair value of RMB625,300,000. During the six months ended 30 June 2021, the weighted average effective interest rate was 6.51% (2020: 6.54%) per annum.
- (ii) As at 30 June 2021, the secured short-term borrowing was denominated in RMB, secured by certain building at the fair value of RMB449,100,000 and was repayable within one year. During the six months ended 30 June 2021, the weighted average effective interest rate was 3.30% per annum.
- (iii) As at 31 December 2020, the unsecured short-term borrowing was denominated in RMB, and was repayable within one year. During the year ended 31 December 2020, the weighted average effective interest rate was 6.50% per annum.

20. CAPITAL COMMITMENTS

Capital expenditures contracted for at the balance sheet date but not yet incurred is as follows:

	As at	
	30 June 2021	31 December 2020
	RMB'000	RMB'000
Purchases of property, plant and equipment	14,254	24,535
Acquisition of land	180,650	189,650
Acquisition of a company	<u>260,710</u>	<u>279,820</u>
	<u>464,614</u>	<u>494,005</u>

MANAGEMENT DISCUSSION AND ANALYSIS

It has been almost two years since the outbreak of the coronavirus (“**COVID-19**”) pandemic. With the increasing public awareness of infection prevention and control and vaccination programs being rolled out in different regions, the global economy is gradually recovering. According to the National Bureau of Statistics of China, the GDP of China in the first half of 2021 amounted to RMB53.2 trillion, representing an increase of 12.7% as compared to the same period in 2020. The national consumer price index (“**CPI**”) in June 2021 was 1.1% higher year-on-year, and CPI for first half of 2021 was up 0.5% year-on-year. The total retail sales of consumer goods in the first half of 2021 increased by 23% year-on-year. The total online retail sales also increased by 23.2% year-on-year, of which the sales of physical goods increased by 18.7% year-on-year.

The Group will continue to seize market opportunities by focusing on retail business and strengthening online sales channels to maintain its competitiveness.

BUSINESS REVIEW

The Group’s operating results are presented in three reportable operating segments, namely (a) department store business; (b) property business; and (c) others. For the six months ended 30 June 2021, the Group recorded revenue of RMB116.0 million (2020: RMB317.9 million). Loss attributable to owners of the Company was RMB215.7 million (2020: profit attributable to owners of the Company amounted to RMB21.8 million). The fluctuations were mainly due to (a) the Group had no revenue generated from the provision of property development consulting service for the six months ended 30 June 2021, due to the termination of two property development consultancy agreements with effect from 30 December 2020, and (b) there was fair value losses of RMB115.9 million on the listed equity securities at fair value through profit or loss on the 1,320,000,000 ordinary shares of TFG International Group Limited (stock code: 00542) held by Group.

Department store business

Over the years, the Group has been working to transform its department stores into “Shirble Plaza”, a one-stop shopping mall concept, to meet the demand of the middle-class population in the PRC for high-quality food, merchandise and services. The Group has also cooperated with strategic partners to use most of the traditional supermarket spaces in its department stores, thus boosting foot traffic for the supermarket spaces successfully. Moreover, the Group embraces the online-to-offline “new retail” concept to increase the customers’ satisfaction on their consumption experience. These efforts also create more effective operating results for the Group.

As at 30 June 2021, the Group owned and/or operated 16 department stores with a total gross floor area of 301,030.1 sq.m.

Property business

Shenzhen Shirble Enterprise Management Co., Ltd. (“**Shirble Management**”), a wholly-owned subsidiary of the Company, acquired a parcel of land in Jinwan District, Zhuhai through an equity acquisition entered into in November 2019. The land has been developed into a two-building complex and the completion certificate was issued in April 2021, thus sale or leasing could start as and when appropriate.

The Group entered into two property development consulting service agreements (the “**Integrated Consulting Service Agreements**”) in 2019 to provide consulting service in respect of two development projects located in Futian District and Bao’an District in Shenzhen. The Integrated Consulting Service Agreements were terminated with effect from 30 December 2020. Further information on the termination is set forth in the Company’s announcement dated 30 December 2020.

BUSINESS OUTLOOK

Although COVID-19 has profound impact on the business operations in many industries, the Group believes that with the pandemic gradually coming under control, long-suppressed consumption sentiment will be released. Taking into account the retail market in China is picking up and stimulate consumption programs are being launched in different regions, the Group remains optimistic about the performance of the department store retail industry in the PRC.

The GDP of Guangdong Province exceeded RMB5.7 trillion in the first half of 2021, representing a year-on-year growth of 13.0%, with Shenzhen is the first within the province with a total GDP of RMB1.43 trillion. The per capita disposable income of Guangdong Province was RMB23,000, a year-on-year increase of 13.6%.

In order to grasp the opportunities arising by the market recovery, the Group will continue to upgrade and transform its traditional department store business and strive to build an integrated online and offline retail business channel, improving the customers’ shopping experience and capitalising on the new business norms to help drive the growth of its business.

For offline operations, the Group has actively researched the market trends and the customer needs by broadening the range of products and services at its stores. Also, as efforts to optimise and transform its stores, the Group has brought into customers diversified consumption scenarios and provided to customers with choices in one-stop shopping, dining, entertainment, leisure, early-childhood social activities and community services to meet their demand for diverse products and services. The new community retail shopping mall is part of the online ordering and pre-ordering functions, bringing a convenient and comfortable shopping experience to the target customers. The proven business approach has laid a solid foundation for the Group. In the future, the Group will start with the basics to improve the quality of the services. It will also continue to look for opportunities to work with different strategic partners for the purpose of creating synergies that can enhance our business performance.

Furthermore, given the growing popularity of online sales and marketing and also driven by the pandemic, the Group will implement digital transformation. Apart from bolstering the online ordering and pre-ordering functions, the Group will optimise the home delivery services as well as explore other online platforms including opening official WeChat accounts and mobile shopping mini programs to promote activities and stimulate consumer enthusiasm. These moves are expected to attract more customers to visit the Group's physical stores, increase the customer patronage and enhance the shopping experience and continue to attract and retain new and old customers.

With COVID-19 and the global economy bringing uncertainties to the market, the Group may reduce the property projects as and when appropriate and focus on the continuous developments of the retail business.

Looking ahead, the Group will consolidate its resources, strengthen the internal management and also adopt prudent business strategies to mitigate the pressure from the slowdown of global economy. At the same time, the Group will continue to focus on the core business and to fully realise product diversification and digitisation of the services, thereby enhance the customers' shopping experiences. The Group will also pay additional attention to the development of and the opportunities in the market, new revenue streams and balanced growth to bring sustainable returns to shareholders.

FINANCIAL REVIEW

The operating results of the Group for the six months ended 30 June 2021 are presented in three reportable operating segments, namely (a) department store business; (b) property business; and (c) others. The following discussions and analyses are based on the Group as a whole and the operating results of each business segment.

(a) The Group

Revenue of the Group amounted to RMB116.0 million for the six months ended 30 June 2021, representing a decrease of 63.6% as compared to RMB317.9 million for the same period in 2020. The amount of revenue contribution from the department store business for the six months ended 30 June 2021 amounted to RMB116.0 million, while no revenue was contributed from the property business during the same period. For the six months ended 30 June 2020, the revenue contribution from the department store business amounted to RMB135.3 million or 42.5% of the Group's total revenue in the same period, while the revenue contribution from the property business amounted to RMB182.6 million or 57.5% of the Group's total revenue in the same period.

Loss attributable to owners of the Company amounted to RMB215.7 million for the six months ended 30 June 2021, as compared to profit attributable to owners of the Company of RMB21.8 million for the six months ended 30 June 2020.

Analysis on the fluctuations in different segments of the Group is set forth in the following sub-sections.

(b) Department store business segment

Set out below is the segmental information of the Group's department store business for the six months ended 30 June 2021:

	Six months ended 30 June (unaudited)	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	115,951	135,317
Other operating revenue	17,402	20,102
Other gains – net	1,523	17,211
Fair value adjustment on investment properties	(70,906)	(66,488)
Purchase of and changes in inventory	(6,516)	(9,751)
Employee benefit expenses	(32,007)	(35,498)
Depreciation and amortisation expenses	(7,635)	(10,375)
Net impairment losses on financial and contract assets	(7,884)	–
Other operating expenses – net	(46,053)	(42,661)
Operating (loss)/profit	(36,125)	7,857
Finance income	5,128	6,182
Finance costs	(35,743)	(39,194)
Finance costs – net	(30,615)	(33,012)
Share of losses of an associate and a joint venture	–	(5)
Loss before income tax	(66,740)	(25,160)
Income tax expenses	(2,056)	(19,127)
Loss for the period	(68,796)	(44,287)

Revenue

Since July 2018, the Group's department stores have been upgraded the renovation works for most of the stores have been completed as at 30 June 2021. The Group's major revenue streams have been changed from direct sales and concessionaire sales commission to rental income. Revenue breakdown of the Group's department store business for the six months ended 30 June 2021 and 2020 were as follows:

	Six months ended 30 June		Percentage of department stores' revenue of the Group	
	2021 RMB'000	2020 RMB'000	2021 %	2020 %
Rental income	107,983	102,362	93.1	75.6
Direct sales	6,913	10,121	5.9	7.4
Commission from concessionaire sales	357	311	0.3	0.2
Income from reversal of long-aged unredeemed pre-paid cards and unredeemed awarded credits	698	22,523	0.7	16.8
Total	115,951	135,317	100.0	100.0

As a result of the change in the Group's business and the outbreak of COVID-19, although there were rent-free periods offered to tenants in the amount of RMB8.7 million, as well as early termination and/or breach of certain existing lease agreements, (i) the rental income increased by 5.4% to RMB108.0 million for the six months ended 30 June 2021 from RMB102.4 million for the same period in 2020; (ii) direct sales decreased by 31.7% to RMB6.9 million for the six months ended 30 June 2021 from RMB10.1 million for the same period in 2020; and (iii) commission from concessionaire sales was RMB0.4 million for the six months ended 30 June 2021, as compared to RMB0.3 million for the same period in 2020.

Income from reversal of long-aged unredeemed pre-paid cards and membership card reward points decreased to RMB0.7 million for the six months ended 30 June 2021 from RMB22.5 million for the same period in 2020, mainly due to an one-off income of RMB17.2 million recognized as a result of the reversal of long-aged unredeemed awarded credits in 2020.

Other operating revenue

Other operating revenue decreased by 13.5% to RMB17.4 million for the six months ended 30 June 2021 from RMB20.1 million for the same period in 2020.

Other gains – net

Other net gains amounted to RMB1.5 million for the six months ended 30 June 2021, as compared to other net gains of RMB17.2 million for the same period in 2020, primarily due to gain from rent concession and termination of lease of RMB18.0 million in the first half of 2020.

Fair value adjustment on investment properties

Fair value losses on investment properties was RMB70.9 million for the six months ended 30 June 2021, as compared to RMB66.5 million for the same period in 2020.

Purchase of and changes in inventories

Purchase of and changes in inventories amounted to RMB6.5 million for the six months ended 30 June 2021, representing a decrease of 33.7% as compared with RMB9.8 million for the same period in 2020, which is in line with the decrease in direct sales.

Employee benefit expenses

Employee benefit expenses decreased by 9.9% to RMB32.0 million for the six months ended 30 June 2021 from RMB35.5 million in the corresponding period of 2020, primarily due to the restructuring and streamline of labour force resulting from the structural change of the business.

Depreciation and amortisation expenses

Depreciation and amortisation expenses decreased by 27.0% to RMB7.6 million for the six months ended 30 June 2021 from RMB10.4 million for the same period in 2020.

Other operating expenses – net

Other operating expenses increased by 7.9% to RMB46.1 million for the six months ended 30 June 2021 from RMB42.7 million for the same period in 2020, primarily due to increase in utilities expenses.

Operating loss

As a result of the reasons mentioned above, the department store business segment's operating loss amounted to RMB36.1 million for the six months ended 30 June 2021, as compared to operating profit of RMB7.9 million in the corresponding period of 2020.

Finance income

Finance income remained stable at RMB5.1 million for the six months ended 30 June 2021 as compared to RMB6.2 million for the same period in 2020.

Finance costs

Finance costs of RMB35.7 million was incurred for the six months ended 30 June 2021 as compared to RMB39.2 million for the same period in 2020.

Income tax expenses

Income tax expenses of RMB2.1 million for the six months ended 30 June 2021, from RMB19.1 million for the six months ended 30 June 2020.

Loss for the period

As a result of the aforementioned, loss attributable to the department store business segment amounted to RMB68.8 million for the six months ended 30 June 2021, as compared to the loss of RMB44.3 million for the same period in 2020.

(c) **Property business segment**

Set out below is the segmental information of the Group's property business for the six months ended 30 June 2021:

	Six months ended 30 June (unaudited)	
	2021	2020
	RMB'000	RMB'000
Revenue	–	182,577
Other losses – net	(115,993)	(22,617)
Employee benefit expenses	(11,729)	(35,089)
Other operating expenses – net	(31)	(196)
	<hr/>	<hr/>
Operating (loss)/profit	(127,753)	124,675
Finance income	–	31
Finance costs	(2,630)	(2,864)
	<hr/>	<hr/>
Finance costs – net	(2,630)	(2,833)
(Loss)/profit before income tax	(130,383)	121,842
Income tax expenses	–	(39,537)
	<hr/>	<hr/>
(Loss)/profit for the period	(130,383)	82,305
	<hr/>	<hr/>

Revenue

No revenue generated from the property business for the six months ended 30 June 2021 due to the termination of two property development consultancy agreements with effect from 30 December 2020.

Other losses – net

Other net losses amounted to RMB116.0 million and RMB22.6 million for the six months ended 30 June 2021 and 2020 respectively, mainly representing the fair value losses on listed equity securities at fair value through profit or loss in relation to 1,320,000,000 ordinary shares of TFG International Group Limited (stock code: 00542) held by the Company.

Employee benefit expenses

Employee benefit expenses decreased significantly by 66.7% to RMB11.7 million for the six months ended 30 June 2021 from RMB35.1 million in the same period of 2020, mainly due to the termination of two property development consultancy projects on 30 December 2020.

Finance costs – net

Finance costs represents interest on bank borrowing amounted to RMB2.6 million for the six months ended 30 June 2021 as compared to RMB2.9 million in the same period of 2020.

Income tax expenses

No income tax expenses incurred for the six months ended 30 June 2021 as compared to RMB39.6 million in the same period of 2020 for the Group's property business.

Loss for the period

As a result of the above, loss attributable to the property business segment amounted to RMB130.4 million for the six months ended 30 June 2021, as compared to profit of RMB82.3 million in the same period of 2020.

(d) Others segment

Others represents mainly directors emoluments, staff costs and operating expenses incurred for headquarter or administrative purposes which are not directly attributable to any of the two business segments. Such costs and expenses amounted to RMB16.6 million and RMB16.2 million for the six months ended 30 June 2021 and 2020 respectively.

INTERIM DIVIDEND

In view of the loss attributable to owners of the Company for the six months ended 30 June 2021, the Board of Directors of the Company does not recommend any interim dividend for the six months ended 30 June 2021.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2021, the Group's cash and cash equivalents and bank deposits amounted to RMB111.4 million, representing a decrease of 20.0% from RMB139.2 million as at 31 December 2020. The cash and cash equivalents and bank deposits, which were in RMB and Hong Kong dollars, were deposited with banks in Hong Kong and the PRC for interest income.

BORROWINGS

The Group has long-term and short-term borrowings of RMB301.5 million and RMB100.0 million respectively as at 30 June 2021 (31 December 2020: long-term borrowing of RMB293.2 million and short-term borrowing of RMB78.8 million), mainly representing the secured bank borrowing denominated in RMB secured by the charge of two PRC properties. The gearing ratio, which is calculated by the Group's total borrowings divided by its shareholders equity was 21.1% as at 30 June 2021 (31 December 2020: 17.5%).

NET CURRENT ASSETS AND NET ASSETS

The net current liabilities of the Group as at 30 June 2021 were RMB79.0 million (31 December 2020: net current assets of RMB9.8 million). The net assets of the Group as at 30 June 2021 was RMB1,902.9 million (31 December 2020: RMB2,118.8 million), representing a decrease of 10.2%.

FOREIGN EXCHANGE EXPOSURE

The business operations of the Group is primarily in the PRC with most of its transactions settled in RMB. Certain of the Group's cash and bank balances are denominated in Hong Kong dollars and United States dollars. The Company pays dividends in Hong Kong dollars. These exposed the Group to foreign exchange risks arising from the movements in the exchange rate between Hong Kong dollars and RMB. For the six months ended 30 June 2021, the Group recorded a net foreign exchange loss of RMB0.8 million. The Group has not used any forward contracts, currency borrowings or other means to hedge its foreign currency exposure.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2021, the total number of employees of the Group was 337. The Group's remuneration policy is determined with reference to market conditions and the performance, qualifications and experience of individual employees. The Company has also used the key performance indicators assessment system to assess the performance of employees and operational efficiency.

CONTINGENT LIABILITIES

Certain suppliers have commenced legal proceedings in the PRC against the Group in respect of disputes over contract terms and trademark infringement claim. As at 30 June 2021, these legal proceedings were ongoing. The Group has made an accumulated provision of RMB6.3 million (31 December 2020: RMB6.3 million), which the Directors believe that it is adequate to cover the amounts, if any, payable in respect of these claims.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

There are no material acquisition and disposal of subsidiaries and associated companies during the period under review.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee (the “**Audit Committee**”) of the Board comprises three independent non-executive Directors, namely Mr. TSANG Wah Kwong (Chairman), Mr. CHEN Fengliang and Mr. JIANG Hongkai. The Audit Committee has been established to review the financial reporting process and evaluate the effectiveness of internal control procedures (including financial, operational and compliance controls and risk management functions) of the Group.

During the six months ended 30 June 2021, the Audit Committee held one meeting with the management and the auditor of the Company on the auditing, internal controls and financial reporting matters of the Group, and review the Group's internal control and the annual results for the year ended 31 December 2020.

REVIEW OF THE INTERIM RESULTS

The Group's unaudited interim results for the six months ended 30 June 2021 have not been audited by the external auditor but have been reviewed by the Audit Committee.

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2021, the Company has complied with the principles and the applicable code provisions of the Corporate Governance Code contained in Appendix 14 to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) except for the following deviations from Code Provision A.2.1.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the period, Mr. YANG Ti Wei took the roles of both Co-Chairman and Chief Executive officer. The Board believes that vesting the roles of both Co-Chairman and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient on overall strategic planning for the Group. In addition, Mr. HAO Jian Min, as the Co-Chairman of the Board, shares the role and responsibilities as chairman of the Board with Mr. YANG Ti Wei. The Board believes that the balance of power and authority is adequately ensured by the operation of the Board, which comprises experienced and high calibre individuals with a sufficient number thereof being Independent Non-executive Directors.

The internal audit department (the “**Internal Audit Department**”) of the Group has reported its findings and work plan to the Audit Committee twice a year, and the Board and the Audit Committee then reviewed the Group's material controls, including financial, operational and compliance controls and risk management functions.

The Board, together with the Audit Committee, have also assessed the adequacy of resources, qualifications and experience of the staff of the Company's accounting and financial reporting and internal audit functions, and their training programs and budget.

The enhancement of the internal control measures will continue to be monitored by the Internal Audit Department and the chief executive officer of the Group. The Internal Audit Department will continue to conduct periodic review on the internal controls of the Group and report their findings to the Audit Committee and the Board.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct regarding the Directors’ securities transactions. Having made specific enquiries of all the Directors, the Directors confirm that they have complied with the Model Code during the six months ended 30 June 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2021.

PUBLICATION OF THE INTERIM REPORT

This announcement is published on the websites of Stock Exchange and the Company. The interim report for the six months ended 30 June 2021 containing all the information required by Appendix 16 to the Listing Rules will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board

Shirble Department Store Holdings (China) Limited

YANG Ti Wei

Co-Chairman, Chief Executive Officer and Executive Director

Hong Kong, 26 August 2021

As at the date of this announcement, the Board comprises Mr. YANG Ti Wei (Co-Chairman and Chief Executive Officer) and Mr. HAO Jian Min (Co-Chairman) as the executive Directors; Ms. HUANG Xue Rong as the non-executive Director; and Mr. CHEN Fengliang, Mr. JIANG Hongkai and Mr. TSANG Wah Kwong as the independent non-executive Directors.