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)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

The following sets forth a summary of the unaudited condensed consolidated results of the Group for the 1H2025:

– Revenue amounted to RMB93.0 million, representing a slight decrease of 5.0%, as compared to RMB97.9 million for the 1H2024;

– Operating profit amounted to RMB29.8 million, representing a slight decrease of 4.5%, as compared to RMB31.2 million for the 1H2024;

– Loss attributable to owners of the Company amounted to RMB3.0 million as compared to RMB18.5 million for the 1H2024;

– Basic loss per share amounted to RMB0.001, as compared to RMB0.01 for the 1H2024; and

– Net asset value per share as of 30 June 2025 and 31 December 2024 were both RMB0.30.

The Board does not recommend any interim dividend for the 1H2025.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the "**Board**") of directors (the "**Directors**") of Shirble Department Store Holdings (China) Limited (the "**Company**", together with its subsidiaries, collectively, the "**Group**") hereby announces the unaudited condensed consolidated results of the Company for the six months ended 30 June 2025 (the "**1H2025**"), together with the comparative figures for the six months ended 30 June 2024 (the "**1H2024**").

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	**Six months ended 30 June 2025** *RMB'000* **(unaudited)**	2024 *RMB'000* (unaudited)
Revenue	*5*	**93,021**	97,903
Other operating revenue	*6*	**15,576**	8,569
Other gains – net	*7*	**28,143**	35,822
Fair value losses on investment properties	*13*	**(41,485)**	(42,376)
Purchase of and changes in inventories	*8*	**(4,178)**	(5,164)
Employee benefit expenses	*8*	**(14,873)**	(17,854)
Depreciation and amortisation expenses	*8*	**(1,781)**	(1,272)
Net impairment losses on financial assets	*8*	**(3,198)**	(3,836)
Other operating expenses – net	*8*	**(41,409)**	(40,550)
Operating profit		**29,816**	31,242
Finance income	*9*	**3,213**	3,961
Finance costs	*9*	**(31,846)**	(40,170)
Finance costs – net	*9*	**(28,633)**	(36,209)
Profit/(loss) before income tax		**1,183**	(4,967)
Income tax expenses	*10*	**(4,194)**	(13,511)
Loss for the period		**(3,011)**	(18,478)
Loss attributable to:			
Owners of the Company		**(3,011)**	(18,478)
Loss per share for the loss attributable to owners of the Company during the period (expressed in RMB per share)			
– Basic and diluted	*11*	**(0.001)**	(0.01)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Loss for the period	**(3,011)**	(18,478)
Other comprehensive income/(loss):		
Item that may be reclassified to profit or loss:		
Currency translation differences	**1,081**	(481)
Other comprehensive income/(loss) for the period	**1,081**	(481)
Total comprehensive loss for the period	**(1,930)**	(18,959)
Attributable to:		
Owners of the Company	**(1,930)**	(18,959)
Total comprehensive loss for the period	**(1,930)**	(18,959)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**As at 30 June 2025** *RMB'000* **(unaudited)**	As at 31 December 2024 *RMB'000* (audited)
ASSETS			
Non-current assets			
Investment properties	*13*	**1,619,188**	1,660,410
Property, plant and equipment	*14*	**18,939**	20,713
Intangible assets		**168**	216
Deferred income tax assets		**2,182**	1,635
Trade receivables, other receivables and prepayments	*15*	**110,111**	115,446
		1,750,588	1,798,420
Current assets			
Inventories		**2,527**	2,749
Trade receivables, other receivables and prepayments	*15*	**33,760**	58,929
Properties held for sale	*16*	**–**	253,000
Deferred income tax assets		**–**	987
Restricted bank deposits		**12,556**	12,340
Cash and cash equivalents		**27,524**	43,091
		76,367	371,096
Total assets		**1,826,955**	2,169,516
EQUITY			
Share capital		**213,908**	213,908
Share premium		**750,992**	750,992
Other reserves		**458,000**	456,919
Accumulated losses		**(674,069)**	(671,058)
Equity attributable to the owners of the Company		**748,831**	750,761
Total equity		**748,831**	750,761

	Note	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		**461,399**	496,608
Deferred income tax liabilities		**91,824**	88,176
Borrowings	*19*	**213,334**	226,667
		766,557	811,451
Current liabilities			
Lease liabilities		**71,098**	65,331
Trade and other payables	*17*	**107,723**	148,822
Contract liabilities	*18*	**11,976**	19,412
Borrowings	*19*	**81,403**	331,387
Income tax payable		**39,367**	42,352
		311,567	607,304
Total liabilities		**1,078,124**	1,418,755
Total equity and liabilities		**1,826,955**	2,169,516

NOTES TO THE 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 Group are department store operations 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 2025 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 2024, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Going concern basis

As at 30 June 2025, the Group's current liabilities exceeded its current assets by approximately RMB235 million. The Group had a total of RMB295 million in bank borrowings, of which RMB81 million was current.

The above indicated the existence of a material uncertainty which might cast a doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and operating performance of the Group and its available sources of financing in the assessment of whether the Group will have sufficient financial resources to fulfil its financial obligations for the next twelve months. The plans and measures that have been taken to mitigate the liquidity pressure and to improve its financial position include but not limited to those described below.

(i) The Group will continue to implement plans and measures to improve the operation performance of the department store business to generate operating cash inflow.

(ii) The Group will continue to secure new banking facilities to provide further funding for the Group's operation, as and when needed. The Directors believe that the Group will be able to obtain new banking facilities with the Group's assets to be pledged as security. The Group will also consider to further dispose of other assets to generate more cash inflows, as and when needed.

The Directors have reviewed the Group's cash flow projections, which cover not less than twelve months from 30 June 2025. In the opinion of the Directors, in light of the above plans and measures and the anticipated cash flows to be generated from the Group's operations, the Group will have sufficient financial resources to satisfy its future working capital requirements in the coming twelve months from 30 June 2025. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above, such as:

(i) successful implementation of the plans and measures to improve the operation performance of the department store business to generate sufficient operating cash inflow; and

(ii) successful in obtaining new banking facilities and/or generating cash inflow from disposals of the Group's assets, as and when needed.

Should the Group be unable to achieve the above plans and measures such that it would not continue to be able to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to recognize further financial liabilities which might arise with higher interest rate, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. Such adjustments have not been reflected in these consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements, except for the adoption of amendments to IFRS Accounting Standard effective for the financial year beginning on 1 January 2025.

(a) Amended standards adopted by the Group

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchange ability	1 January, 2025

Amendments to IFRS Accounting Standard effective for the financial year ending 31 December 2025 do not have a material impact on the Group.

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

The following new standards and amendments to existing standards that have been issued but not effective for the six months ended 30 June 2025 and have not been early adopted:

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
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 two reportable operating segments as follows:

- Department store business – operation of department stores; and
- Others – property business and 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 from the market in PRC. No geographical information is therefore presented.

The segment information is as follows:

	Six months ended 30 June 2025		
	Department store business *RMB'000*	**Others** *RMB'000*	**Group** *RMB'000*
Revenue	**93,021**	**–**	**93,021**
Revenue from contracts with customers			
At a point in time	**4,590**	**–**	**4,590**
Revenue from other sources			
Rental income	**88,431**	**–**	**88,431**
Other operating revenue	**15,486**	**90**	**15,576**
Other (losses)/gains – net	**(6,727)**	**34,870**	**28,143**
Fair value losses on investment properties	**(41,485)**	**–**	**(41,485)**
Purchase of and changes in inventories	**(4,178)**	**–**	**(4,178)**
Employee benefit expenses	**(12,811)**	**(2,062)**	**(14,873)**
Depreciation and amortisation expenses	**(1,650)**	**(131)**	**(1,781)**
Net impairment losses on financial assets	**(3,198)**	**–**	**(3,198)**
Other operating expenses, net	**(39,734)**	**(1,675)**	**(41,409)**
Operating (loss)/profit	**(1,276)**	**31,092**	**29,816**
Finance income	**3,074**	**139**	**3,213**
Finance costs	**(25,061)**	**(6,785)**	**(31,846)**
Finance costs – net	**(21,987)**	**(6,646)**	**(28,633)**
(Loss)/profit before income tax	**(23,263)**	**24,446**	**1,183**
Income tax expense	**(4,194)**	**–**	**(4,194)**
(Loss)/profit for the period	**(27,457)**	**24,446**	**(3,011)**

	Six months ended 30 June 2024		
	Department store business *RMB'000*	Others *RMB'000*	Group *RMB'000*
Revenue	97,903	–	97,903
Revenue from contracts with customers			
At a point in time	5,529	–	5,529
Revenue from other sources			
Rental income	92,374	–	92,374
Other operating revenue	8,438	131	8,569
Other gains – net	35,579	243	35,822
Fair value losses on investment properties	(42,376)	–	(42,376)
Purchase of and changes in inventories	(5,164)	–	(5,164)
Employee benefit expenses	(15,576)	(2,278)	(17,854)
Depreciation and amortisation expenses	(1,272)	–	(1,272)
Net impairment losses on financial assets	(3,836)	–	(3,836)
Other operating expenses, net	(39,578)	(972)	(40,550)
Operating profit/(loss)	34,118	(2,876)	31,242
Finance income	3,719	242	3,961
Finance costs	(29,870)	(10,300)	(40,170)
Finance costs – net	(26,151)	(10,058)	(36,209)
Profit/(loss) before income tax	7,967	(12,934)	(4,967)
Income tax expense	(13,511)	–	(13,511)
Loss for the period	(5,544)	(12,934)	(18,478)

5. REVENUE

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Rental income	**88,431**	92,374
Direct sales	**4,408**	5,529
Commission from concessionaire sales	**182**	–
	93,021	97,903

6. OTHER OPERATING REVENUE

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Promotion, administration and management income	**15,478**	8,075
Government grants and tax incentives	**90**	188
Credit card handling fees for concessionaire sales	**8**	306
	15,576	8,569

7. OTHER GAINS – NET

		Six months ended 30 June	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Deposit forfeited for termination of lease agreements		**613**	573
Gains from the change of lease agreements	*(a)*	**–**	34,990
(Losses)/gains from disposal of property, plant and equipment		**(41)**	259
Gain on disposal of a subsidiary *(Note 21)*		**34,913**	–
Loss on deregistration of subsidiaries		**(43)**	–
Losses from the reversal of long-aged unredeemed prepared cards		**(2,155)**	–
Provision for legal claims		**(5,133)**	–
Others		**(11)**	–
		28,143	35,822

Notes:

(a) For the period ended 30 June 2024, the Group signed supplemental agreements of two stores in relation to the rental reduction, and a net gain of RMB34,990,000 was recognised from the decrease in lease liabilities.

8. EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Purchase of and changes in inventories	**4,178**	5,164
Employee benefit expenses	**14,873**	17,854
Depreciation and amortisation expenses	**1,781**	1,272
Net impairment losses on financial assets	**3,198**	3,836
Utilities	**24,970**	27,748
Advertising costs	**128**	71
Business travel expenses	**165**	189
Cleaning fee	**1,236**	1,244
Other tax expenses	**7,985**	4,448
Fee paid to auditors for other professional service	**300**	600
Net foreign exchange losses/(gains)	**1,222**	(562)
Bank charges	**32**	87
Other expenses	**5,371**	6,725
	65,439	68,676

9. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Finance income		
Interest income from finance leases	**2,926**	3,536
Interest income from bank deposits	**287**	425
	3,213	3,961
Finance costs		
Interest expenses on operating leases as the lessee	**(15,523)**	(17,365)
Interest expenses on bank loans	**(16,323)**	(22,805)
	(31,846)	(40,170)
Finance costs – net	**(28,633)**	(36,209)

10. INCOME TAX

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Current income tax		
– PRC corporate income tax	**106**	730
Deferred income tax	**4,088**	12,781
Income tax expenses	**4,194**	13,511

(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 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% for the Group's subsidiaries generally. 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. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2025	2024
Loss attributable to owners of the Company (in RMB thousands)	**(3,011)**	(18,478)
Weighted average number of ordinary shares in issue (thousands)	**2,495,000**	2,495,000
Basic loss per share (RMB per share)	**(0.001)**	(0.01)

(b) The Group had no potentially dilutive ordinary shares in issue during the period ended 30 June 2025, so the diluted loss per share equals the basic loss per share.

12. DIVIDENDS

The Board does not recommend any interim dividend and final dividend for the six months ended 30 June 2025 and for the year ended 31 December 2024 respectively.

13. INVESTMENT PROPERTIES

	Note	**Land and buildings** *RMB'000*	**Right-of-use assets** *RMB'000*	**Total** *RMB'000*
Six months ended 30 June 2025				
As at 1 January 2025		**1,105,720**	**554,690**	**1,660,410**
Capitalised subsequent expenditure		**94**	**169**	**263**
Net losses from fair value adjustment		**(94)**	**(41,391)**	**(41,485)**
As at 30 June 2025		**1,105,720**	**513,468**	**1,619,188**
Six months ended 30 June 2024				
As at 1 January 2024		1,154,630	643,502	1,798,132
Capitalised subsequent expenditure		–	822	822
Net losses from fair value adjustment		–	(42,376)	(42,376)
As at 30 June 2024		1,154,630	601,948	1,756,578

Notes:

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

(b) As at 30 June 2025, several buildings were secured against certain long-term bank borrowings (Note 19).

14. PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment *RMB'000*	**Right-of-use assets** *RMB'000*	**Total** *RMB'000*
Six months ended 30 June 2025			
As at 1 January 2025	**19,302**	**1,411**	**20,713**
Disposals	**(41)**	**–**	**(41)**
Depreciation charge *(Note 8)*	**(1,329)**	**(404)**	**(1,733)**
As at 30 June 2025	**17,932**	**1,007**	**18,939**
Six months ended 30 June 2024			
As at 1 January 2024	24,293	1,831	26,124
Additions	–	561	561
Disposals	(114)	–	(114)
Depreciation charge *(Note 8)*	(705)	(514)	(1,219)
As at 30 June 2024	23,474	1,878	25,352

15. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	Note	Current RMB'000	Non-current RMB'000	Total RMB'000
		As at 30 June 2025		
Trade receivables	*(a)*	**74**	**–**	**74**
Amount due from a related party		**108,264**	**227,900**	**336,164**
Receivables from operating leases	*(a)*	**20,395**	**7,953**	**28,348**
Receivables from finance leases		**14,428**	**78,791**	**93,219**
Interest receivables		**10**	**–**	**10**
Lease deposits		**–**	**20,708**	**20,708**
Value-added tax recoverable		**53**	**–**	**53**
Other receivables		**2,748**	**–**	**2,748**
		145,972	**335,352**	**481,324**
Less: provision for impairment loss allowance	*(b)*	**(112,212)**	**(230,088)**	**(342,300)**
Financial assets at amortised cost		**33,760**	**105,264**	**139,024**
Prepayments		**–**	**4,847**	**4,847**
Total trade and other receivables		**33,760**	**110,111**	**143,871**

	Note	Current RMB'000	Non-current RMB'000	Total RMB'000
		As at 31 December 2024		
Trade receivables	*(a)*	1,038	–	1,038
Amount due from a related party		115,635	220,529	336,164
Receivables from operating leases	*(b)*	16,039	10,547	26,586
Receivables from finance leases		14,479	85,125	99,604
Interest receivables		182	–	182
Lease deposits		46	20,589	20,635
Value-added tax recoverable		26,389	–	26,389
Other receivables		4,704	–	4,704
		178,512	336,790	515,302
Less: provision for impairment loss allowance		(119,583)	(223,116)	(342,699)
Financial assets at amortised cost		58,929	113,674	172,603
Prepayments		–	1,772	1,772
Total trade and other receivables		58,929	115,446	174,375

Notes:

(a) The trade receivables are receivables from sales to corporate customers.

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

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
0 – 30 days	**74**	1,038

The Group applies the IFRS Accounting Standards simplified approach to measure expected credit loss which was a lifetime expected loss allowance for all trade receivables. As at 30 June 2025, no impairment loss allowance was made based on the management's assessment (31 December 2024: nil).

All trade receivables are denominated in RMB and their fair values approximated their carrying amounts as at 30 June 2025 and 31 December 2024.

(b) 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	31 December
	2025	2024
	RMB'000	*RMB'000*
Current	**19,713**	23,000
0 – 30 days	**1,855**	341
31 – 90 days	**1,463**	692
91 – 365 days	**2,238**	909
More than 365 days	**3,079**	1,644
	28,348	26,586

16. PROPERTIES HELD FOR SALE

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Carrying amount of properties held for sale	–	384,622
Less: accumulated provision of impairment loss	–	(131,622)
	–	253,000

As at 31 December 2024, the properties held for sale with a net carrying amount of RMB253,000,000 were pledged to secure a bank loan of RMB253,940,000 (Note 19).

In April 2025, properties held for sale was disposed of through the disposal of an entire equity interest of Zhuhai Xiangyao (Note 21).

17. TRADE AND OTHER PAYABLES

	Note	As at 30 June 2025 *RMB'000*	As at 31 December 2024 *RMB'000*
Lease deposits		**41,560**	44,628
Other tax payables		**11,787**	12,460
Accrued wages and salaries		**2,104**	3,060
Trade payables	*(a)*	**894**	937
Amount due to a related party		**–**	4
Accrued bank interest and penalties on borrowings	*(b)*	**512**	26,394
Provisions for losses on legal claims		**5,133**	5,546
Rent received from customers in advance		**11,045**	11,984
Other payables and accruals		**34,688**	43,809
		107,723	148,822

Notes:

(a) The aging analysis of the trade payables of the Group based on invoice date is as follows:

	As at 30 June 2025 *RMB'000*	As at 31 December 2024 *RMB'000*
0 – 30 days	**894**	937

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

18. CONTRACT LIABILITIES

	Note	As at **30 June 2025** ***RMB'000***	As at 31 December 2024 *RMB'000*
Advances received from customers	*(a)*	**11,976**	19,412
		11,976	19,412

Notes:

(a) The amount mainly represented the net amount of advance received from customers for prepaid cards sold and the accumulated amount of the reversal of long-aged unredeemed prepaid cards.

19. BORROWINGS

	Note	As at **30 June 2025** ***RMB'000***	As at 31 December 2024 *RMB'000*
Non-current			
Secured long-term bank borrowings	*(a)*	**213,334**	226,667
Current			
Current portion of secured long-term bank borrowings *(Note 16)*	*(a)(b)*	**26,667**	280,607
Secured short-term borrowing	*(c)*	**54,736**	50,780
		81,403	331,387
		294,737	558,054

Notes:

(a) The Group's long-term bank borrowings were denominated in RMB and secured by certain investment properties (Note 13). During the period ended 30 June 2025, the weighted average effective interest rate was 6.23% (31 December 2024: 6.37%) per annum.

(b) As at 31 December 2024, Zhuhai Xiangyao's long-term bank loan of RMB253,940,000 was secured by the properties held for sale with a net carrying amount of RMB253,000,000 (Note 16). During the year ended 31 December 2024, the weighted average effective interest rate was 8.42% per annum. The bank loan was no longer the Group's liabilities following the disposal of Zhuhai Xiangyao in April 2025 (Note 21).

(c) As at 30 June 2025 and 31 December 2024, the secured short-term borrowing was denominated in RMB, secured by certain investment properties (Note 13) and was repayable within one year. During the period ended 30 June 2025, the weighted average effective interest rate was 6.35% (31 December 2024: 6.98%) per annum.

20. CAPITAL COMMITMENTS

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

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
Purchases of property, plant and equipment	**2,290**	2,254
	2,290	2,254

21. DISPOSAL OF A SUBSIDIARY

On 22 April 2025, the Shenzhen Qianhai Baotong E-commerce Company Limited (深圳前海寶通電子商務有限公司) (the "**Seller A**") and Shenzhen Qingyi Information Consulting Company Limited (深圳市慶壹信息諮詢有限公司) (the "**Seller B**") (collectively referred to as the "**Sellers**") and Zhuhai Hangmeng Times Technology Company Limited (珠海市航夢時代科技有限公司) (the "**Buyer**") entered into an equity transfer agreement (the "**Equity Transfer Agreement**"), pursuant to which the Sellers agreed to sell, and the Buyer agreed to purchase, all entire equity interest in Zhuhai Xiangyao Real Estate Development Company Limited (珠海市祥耀房地產開發有限公司) ("**Zhuhai Xiangyao**"), a wholly owned subsidiary of the Company before such disposal for a consideration of RMB1.60 million.

Seller A and Seller B are indirectly wholly owned subsidiaries of the Company and held 90% and 10% equity interest in Zhuhai Xiangyao respectively before the disposal.

The amount of consideration is RMB1,600,000 comprising (a) RMB1,440,000 payable by the Buyer to Seller A; and (b) RMB160,000 payable by the Buyer to Seller B.

The disposal of Zhuhai Xiangyao was completed on 28 April 2025. Following the disposal, Zhuhai Xiangyao ceased to be a subsidiary of the Group.

An analysis of assets and liabilities disposed of is summarised as follows:

	RMB'000
Other receivables and prepayments	21,389
Properties held for sale	253,000
Borrowings	(253,940)
Other payables	(53,762)
Net liabilities disposed of	(33,313)

	RMB'000
Consideration received:	
Cash received	1,600

	RMB'000
Gain on disposal of a subsidiary:	
Consideration received and receivable	1,600
Net liabilities disposed of	(33,313)
Gain on disposal	34,913

	RMB'000
Net cash inflow arising on disposal:	
Cash consideration	1,600

MANAGEMENT DISCUSSION AND ANALYSIS

During the 1H2025, the retail market in the People's Republic of China ("**PRC**") exhibited moderate growth, driven by the PRC government's strategic focus on stimulating domestic consumption to address both external and internal economic pressures. However, the US's tariff hikes on Chinese exports proposed and implemented in April further dampened export growth and heightened economic uncertainty, partially offsetting the impact of domestic stimulus measures. Profitability in the retail sector remained under strain due to persistent inflationary pressures, escalating operational costs, as well as the compounding effects of trade tensions.

Additionally, evolving consumer preferences towards experiential and emotional value, service-oriented consumption, sustainability, and niche products have challenged traditional retail models, requiring adaptation to appeal to diverse demographic segments.

According to the National Bureau of Statistics of China, China's gross domestic product ("**GDP**") for the 1H2025 reached to RMB66.05 trillion, a year-on-year increase of 4.2% from the 1H2024. The national consumer price index ("**CPI**") rose 0.1% year-on-year in June 2025, as compared to 0.2% in June 2024. Total retail sales of consumer goods in June 2025 fell 0.2% year-on-year, versus a 0.1% decline in the same period of 2024, reflecting cautious consumer spending.

During the 1H2025, the Group implemented cost-optimization measures to manage rising operational expenses while enhancing in-store experiences and community-focused marketing. These efforts align with the evolving PRC retail landscape. The Group remains committed to delivering customer value, fostering community relationships, and proactively addressing market and operational challenges.

BUSINESS REVIEW

During the 1H2025, the Group recorded a revenue of RMB93.0 million (1H2024: RMB97.9 million). Loss attributable to owners of the Company for the 1H2025 amounted to RMB3.0 million (1H2024: RMB18.5 million). The cross-border retail and nighttime economy remain mainstream trends, with convenience stores, gyms, restaurants, and pharmacies operating 24/7 to serve middle-class seeking convenience and quality. The Group extended operating hours to capture growing demand for food, merchandise, and services after dusk.

In response to growing digital retail, the Group enhanced online promotions and the loyalty programs to engage consumers, promote products, stimulate interest, and deliver quality goods and services, improving customer patronage and experience.

As of 30 June 2025, the Group operated or managed 14 department stores with a total gross floor area of 242,841.9 sq.m., of which 38.0% is located in self-owned properties.

Amid economic uncertainties, the Group has prudently exited all property investments and implemented proactive risk mitigation to strengthen resilience and ensuring sustainable operations.

BUSINESS OUTLOOK

Overall, the Group remains positive in its business prospects and is committed to improving its operations and services to meet customer needs by leveraging innovative strategies and optimising operational efficiency. Moving forward, the Group will focus on navigating the evolving retail landscape and enhancing customer engagement to sustain long-term stable growth and profitability.

FINANCIAL REVIEW

The operating results of the Group for the 1H2025 are presented in two reportable operating segments, namely (a) department store business and (b) others including property business and unallocated items, comprising mainly head office overheads. The following discussions and analyses are based on the Group as a whole and the operating results of each of the business segments.

(a) The Group

Revenue of the Group amounted to RMB93.0 million for the 1H2025, representing a slight decrease of 5.0%, as compared to RMB97.9 million for the 1H2024.

Loss attributable to owners of the Company amounted to RMB3.0 million for the 1H2025, as compared to RMB18.5 million for the 1H2024.

(b) Department store business segment

Set forth below is the segmental information of the Group's department store business for the 1H2025, together with the comparative figures for the 1H2024:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue	**93,021**	97,903
Other operating revenue	**15,486**	8,438
Other (losses)/gains – net	**(6,727)**	35,579
Fair value losses on investment properties	**(41,485)**	(42,376)
Purchase of and changes in inventories	**(4,178)**	(5,164)
Employee benefit expenses	**(12,811)**	(15,576)
Depreciation and amortisation expenses	**(1,650)**	(1,272)
Net impairment losses on financial assets	**(3,198)**	(3,836)
Other operating expenses – net	**(39,734)**	(39,578)
Operating (loss)/profit	**(1,276)**	34,118
Finance income	**3,074**	3,719
Finance costs	**(25,061)**	(29,870)
Finance costs – net	**(21,987)**	(26,151)
(Loss)/profit before income tax	**(23,263)**	7,967
Income tax expense	**(4,194)**	(13,511)
Loss for the period	**(27,457)**	(5,544)

Revenue

Revenue breakdown of the Group's department store business was as follows:

	Six months ended 30 June		Percentage of department stores' revenue of the Group	
	2025	2024	**2025**	2024
	RMB'000	*RMB'000*	*%*	*%*
	(unaudited)	(unaudited)		
Rental income	**88,431**	92,374	**95.1**	94.4
Direct sales	**4,408**	5,529	**4.7**	5.6
Commission from concessionaire sales	**182**	–	**0.2**	–
Total	**93,021**	97,903	**100.0**	100.0

Rental income decreased slightly by 4.3% to RMB88.4 million for the 1H2025 from RMB92.4 million for the 1H2024; and direct sales decreased by 20.0% to RMB4.4 million for the 1H2025 from RMB5.5 million for the 1H2024.

Other operating revenue

Other operating revenue increased by 84.5% to RMB15.5 million for the 1H2025 from RMB8.4 million for the 1H2024 mainly due to increase in promotion, administration and management income.

Other (losses)/gains – net

Other losses amounted to RMB6.7 million for the 1H2025, as compared to other gains of RMB35.6 million for the 1H2024, primarily due to the provision for the loss on legal claims of RMB5.1 million made in the 1H2025 while the gains from the change of lease agreements of RMB35 million recognised in the 1H2024.

Fair value losses on investment properties

Fair value losses on investment properties amounted to RMB41.5 million for the 1H2025, as compared to RMB42.4 million for the 1H2024.

Purchase of and changes in inventories

Purchase of and changes in inventories decreased to RMB4.2 million for the 1H2025 from RMB5.2 million for the 1H2024. The decrease was in line with the decline in the direct sales as compared to that for the corresponding periods.

Employee benefit expenses

Employee benefit expenses decreased by 17.9% to RMB12.8 million for the 1H2025 from RMB15.6 million for the 1H2024, primarily due to the continued optimisation of the labour force.

Depreciation and amortisation expenses

Depreciation and amortisation expenses amounted to RMB1.7 million and RMB1.3 million for the 1H2025 and the 1H2024, respectively.

Other operating expenses – net

Other operating expenses – net remained constant at RMB39.7 million for the 1H2025 and RMB39.6 million for the 1H2024.

Operating (loss)/profit

As a result of the reasons mentioned above, the department store business segment's operating loss amounted to RMB1.3 million in the 1H2025 from profit of RMB34.1 million for the 1H2024.

Finance income

Finance income amounted to RMB3.1 million for the 1H2025, as compared to RMB3.7 million for the 1H2024.

Finance costs

Finance costs decreased by 16.1% to RMB25.1 million for the 1H2025 from RMB29.9 million for the 1H2024, primarily due to lower interest expenses on the outstanding bank loans.

Income tax expense

Income tax expense of RMB4.2 million and RMB13.5 million for the 1H2025 and for the 1H2024, respectively.

Loss for the period

As a result of the aforementioned, loss attributable to the department store business segment amounted to RMB27.5 million for the 1H2025, as compared to RMB5.5 million for the 1H2024.

(c) Others segment

Others segment represents mainly property business and unallocated items including directors emoluments, staff costs and operating expenses incurred for headquarter or administrative purposes which were not directly attributable to department store business segment. The profit of this segment amounted to RMB24.4 million for the 1H2025, as compared to the loss of RMB12.9 million for the 1H2024. The positive result was primarily attributable to recognition of a gain of RMB34.9 million from the disposal of a subsidiary in April 2025.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the 1H2025.

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2025, the Group's cash and cash equivalents and bank deposits amounted to RMB40.1 million, representing a decrease of 27.6% from RMB55.4 million as of 31 December 2024. The cash and cash equivalents and bank deposits, which were in RMB and Hong Kong dollars ("**HKD**"), were deposited with banks in Hong Kong and the PRC for interest income.

BORROWINGS

The total borrowings of the Group amounted to RMB294.7 million, which was classified between the long-term and short-term borrowings of RMB240.0 million and RMB54.7 million, respectively as of 30 June 2025 (31 December 2024: total borrowings of RMB558.1 million: long-term borrowing of RMB507.3 million and short-term borrowing of RMB50.8 million). The total borrowings decreased by RMB263.4 million, representing a significant decrease of 47.2%. The secured bank borrowings were denominated in RMB and secured by the charge of properties in the PRC. The gearing ratio, which is calculated by dividing the Group's total borrowings by its shareholders equity, was 39.4% as of 30 June 2025 (31 December 2024: 74.3%).

NET CURRENT LIABILITIES AND NET ASSETS

The net current liabilities of the Group as of 30 June 2025 were RMB235.2 million (31 December 2024: RMB236.2 million). The net assets of the Group as of 30 June 2025 were RMB748.9 million (31 December 2024: RMB750.8 million).

FOREIGN EXCHANGE EXPOSURE

The business operation 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 HKD. For the 1H2025, the Group recorded a net foreign exchange losses of RMB1.2 million (1H2024: a net foreign exchange gains of RMB0.6 million). The Group currently does not use any forward contracts, currency borrowings or other means to hedge its foreign currency exposure. However, it will continue to monitor the foreign exchange exposure and consider measures to mitigate significant exposure should the need arise.

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2025, the total number of employees of the Group was 190 (31 December 2024: 199). 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 third parties have commenced legal proceedings in the PRC against the Group in respect of disputes over contract terms and compensation for damages. As of 30 June 2025, these legal proceedings were ongoing. The Group has made an accumulated provision of RMB5.1 million (31 December 2024: RMB0.8 million), which the Directors believe adequate to cover the amounts, if any, payable in respect of these claims.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

Except for the disposal of the entire equity interest in Zhuhai Xiangyao at a consideration of RMB1.6 million, there were no material acquisition and disposal of subsidiaries and associated companies during the 1H2025.

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 (including the treasury shares) during the 1H2025.

CORPORATE GOVERNANCE

During the 1H2025, the Company has complied with the principles and the applicable code provisions as contained in the Corporate Governance Code as set forth in Part 2 of Appendix C1 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The internal audit department (the "**Internal Audit Department**") of the Group reports its findings and its work plan to the audit committee (the "**Audit Committee**") of the Board twice a year, and the Board and the Audit Committee then review and refine the Group's material controls, covering financial, operational and compliance controls and risk management functions. 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 Board, together with the Audit Committee, has 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.

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 forth in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors' securities transactions. Having made specific enquiries of all the Directors, they have confirmed that they complied with the required standard of dealings as set forth in the Model Code during the 1H2025.

DIRECTORS' RESPONSIBILITY IN RESPECT OF FINANCIAL INFORMATION

The Directors acknowledge their responsibility for preparing the interim financial information of the Company. The Directors confirm that in preparing the unaudited condensed consolidated financial information, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed. The Directors are not aware of any material or significant exposures exist, other than as reflected in this announcement. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

AUDIT COMMITTEE

The Audit Committee 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 1H2025, the Audit Committee held two meetings with the management, external auditor and internal control in-charge to discuss on the Group's auditing, internal controls, financial reporting and change of auditor matters, and to review on the annual results for the year ended 31 December 2024.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the 1H2025. The Group's unaudited condensed consolidated financial statements for the 1H2025 have not been reviewed by the external auditor.

PUBLICATION OF THE INTERIM REPORT

The interim report for the 1H2025 containing all the information required by Appendix D2 of the Listing Rules and other applicable laws and regulations will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

By order of the Board
Shirble Department Store Holdings (China) Limited
YANG Ti Wei
Deputy Chairman, Chief Executive Officer and Executive Director

Hong Kong, 29 August 2025

As of the date of this announcement, the Board comprises five members included Ms. HUANG Xue Rong (Chairlady) and Mr. YANG Ti Wei (Deputy Chairman and Chief Executive Officer) as the executive Directors; and Mr. CHEN Fengliang, Mr. JIANG Hongkai and Mr. TSANG Wah Kwong as the independent non-executive Directors.