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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)

CONNECTED TRANSACTION
CONSULTANCY FEES PAYMENT EXTENSION AGREEMENT

Independent Financial Adviser
Innovax Capital Limited

As disclosed in the Second Announcement, the parties to the IEC Supplemental Termination Agreement agreed that the Overdue Consultancy Fees were scheduled to be settled by SRF in three tranches of RMB119.5 million, RMB180.0 million and RMB47.9 million on or before 31 December 2025, 2026 and 2027, respectively. Interest continued to be accrued on the outstanding consultancy fees from 1 January 2023 and was to be paid to the Group on the above respective dates at such rates as determined with reference to the prevailing benchmark rates. On 28 November 2025, SRF sent a letter to Huai'an Runleju that, due to the reasons set forth in this announcement, SRF would not be able to settle the Overdue Consultancy Fees in time as scheduled.

The Directors understand that completion and sales of the IEC Project continue to be affected by the persistent sluggish PRC real estate market, reduced bank financing support and limited cash flows because of low selling prices and volumes. Having considered the alternatives available, including the prospects, costs and uncertainties associated with initiating legal proceedings in the PRC where the Group is an unsecured creditor and all equity interests of SRF are pledged to a financial institution, the Board is of the view that a further extension of the settlement period of the Overdue Consultancy Fees is, on balance, the most commercially viable option to maximise the prospect of recovery while avoiding actions that could adversely affect the construction progress of the IEC Project and SRF's ability to pay. The Board has also noted that a provision for impairment has been made on the full amount of the Overdue Consultancy Fees during the two years ended 31 December 2023.

The Board (other than the independent non-executive Directors whose views will be set forth in the circular after considering the advice of the Independent Financial Adviser) has reviewed the principal terms and conditions of the Consultancy Fees Payment Extension Agreement and considers that the terms are on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole. However, given its nature, the entering into of the Consultancy Fees Payment Extension Agreement is not in the ordinary and usual course of business of the Company.

The Company will convene an EGM at which an ordinary resolution will be proposed to approve the Consultancy Fees Extension Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) further information on the Consultancy Fees Payment Extension Agreement; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) other general information as required under the Listing Rules; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before 13 January 2026. If there is any delay in despatch of the circular, the Company will publish further announcements as and when appropriate.

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

Background information

The Board refers to the First Announcement, the Second Announcement, the ordinary resolution passed at the 2019 EGM and the ordinary resolution passed at the 2023 EGM, the latter of which has approved the IEC Supplemental Termination Agreement. As disclosed in the Second Announcement, the parties to the IEC Supplemental Termination Agreement agreed that the Overdue Consultancy Fees were scheduled to be settled by SRF in three tranches of RMB119.5 million, RMB180.0 million and RMB47.9 million on or before 31 December 2025, 2026 and 2027, respectively. Interest continued to be accrued on the outstanding consultancy fees from 1 January 2023 and was to be paid to the Group on the above respective dates at such rates as determined with reference to the prevailing benchmark rates. On 28 November 2025, SRF sent a letter to Huai'an Runleju that, due to the reasons set forth below the headline "SRF's request for further extension for the settlement of the Overdue Consultancy Fees", it would not be able to settle the Overdue Consultancy Fees in time as scheduled.

SRF's request for further extension for the settlement of the Overdue Consultancy Fees

Since the beginning of 2025, the Company has had various discussions and negotiations with SRF regarding the settlement of the Overdue Consultancy Fees. On 5 November 2025, Huai'an Runleju also issued a preliminary demand letter to SRF to request for immediate payment of the Overdue Consultancy Fees.

SRF mentioned that the real property market in the PRC, which has yet to be recovered, is in a critical stage of fundamental adjustment and structural transformation. These factors continue to have a negative impact on the cash position of the developers as well as their debt position and the repayment ability.

On 28 November 2025, SRF sent a letter to Huai'an Runleju to request a further extension of the settlement of the Overdue Consultancy Fees because of the reasons given below:

Continuous downturns in the real estate sector in the PRC and market conditions in Shenzhen

From the peak performance of the PRC real estate market in 2020, the real estate development investment has declined sharply and the number of newly completed units has contracted substantially. SRF highlighted that the market confidence remained weak, and the sales were depressed. According to the information in public domain, as suggested by SRF, many well-known and established real estate developers listed in Hong Kong have been

severely affected by the prolonged downturn in the real estate market. This has led to continuous declines in their share prices, as well as severe debt repayment difficulties, prompting the need to undertake debt restructuring measures such as debenture haircuts and/or debt extensions. Under this macroeconomic environment, almost all real estate developers are in a difficult situation of "ensuring survival and guaranteed household delivery," and SRF is no exception. The IEC project, since obtaining its pre-sale license in September 2020, has sold less than 60% of its units, with a large number of units unsold and low levels of sales proceeds. Meanwhile, the IEC project still requires continuous investment in construction funds to complete the delivery of subsequent housing units, and there is a significant funding gap as mentioned by SRF.

Inclusion in the "Guaranteed Household Delivery" governmental policy framework under a strict control on the use of fundings generated from sales

SRF further highlighted that it has been required to enter into a "Funds Supervision Agreement" with a leading commercial bank in the PRC pursuant to which SRF has very limited control over the use of fundings generated from the sales of its real estate projects in November 2022. Pursuant to the "Funds Supervision Agreement", according to SRF, all project sales proceeds must be deposited into a government-supervised account and that all expenses paid out of the supervised account must be approved by the bank and the relevant regulators and bureaus. The use of fundings is strictly limited to the repayment of construction progress payments, purchase of raw materials and equipment, payment of wages and salaries and related supporting service fees and other expenditures necessary to ensure smooth project handover. As a result, SRF has confirmed that the Overdue Consultancy Fees cannot be paid unless there is surplus cash following the settlement of the required costs and expenses.

Required priority for the repayment of the outstanding bank loans

According to SRF's letter, in December 2022, its lending bank has expressly required that all principal and interests under the development loan shall be settled before any repayment of other fees and expenses. Any payment of consultancy fees prior to discharging the bank loans would constitute a material breach, triggering default remedies including termination of credit facilities, cessation of disbursements or acceleration of loan maturity. Hence, until the bank loan is fully settled, SRF has confirmed that it does not have sufficient surplus cash and therefore there is lack of the practical and compliant basis to pay the Overdue Consultancy Fees.

Long project cycle, combined with multiple adverse factors, having caused multiple adverse impacts

According to SRF's letter, the IEC project was launched in 2015 and completed its construction filing by the end of February 2025. Since then, it incurred substantial amounts of construction costs during the initial periods of demolition and construction. Simultaneously the adverse effect of the COVID-19 pandemic materially impacted sales. In addition, SRF mentioned that the IEC project is a comprehensive-use project consisting of apartments, offices, and commercial spaces, and its designs might not be appealing to the prospective buyers in Shenzhen. Although Shenzhen has cancelled the purchase restrictions on housing since 6 September, 2025, this policy primarily benefits the residential property sector. Hence, the policy relaxation would not help promoting the sales of the IEC project.

Payment of 42% of the total amount of the consultancy fees to Huai'an Runleju

Notwithstanding the above, as of 31 December 2022, SRF has settled 42% of the total amount of the consultancy fees. SRF has confirmed that it has no intention of delaying the agreed settlement of the IEC Supplemental Termination Agreement in absence of the changes in the circumstances outside its control.

Concluding remarks

According to SRF's letter, China's real estate sector has been in a downturn cycle for five years since 2020. As of November 2025, there are still no signs that the market has bottomed out or begun to recover. SRF conservatively estimates that it will take at least a further 4 to 5 years for the real estate sector to recover. Given that SRF must prioritise the repayment of bank loans and other costs before settling the Overdue Consultancy Fees, SRF considers the likelihood of paying the Overdue Consultancy Fees by end of 2028 to be extremely low, unless the real estate sector experiences a rapid and substantial recovery. Therefore, SRF has requested that the deadline for the settlement of the Overdue Consultancy Fees be extended to 31 December 2030. Should the real estate sector recover faster than expected, SRF will arrange for earlier payment.

Reasons for and benefits of further extension of the settlement of the Overdue Consultancy Fees

Principal terms and conditions of the Consultancy Fees Payment Extension Agreement

Subject to full compliance with the applicable laws and regulations which include, but without limitation to the Listing Rules, the Consultancy Fees Payment Extension Agreement has been entered into with the following principal terms and conditions:

Date:	30 December 2025
Parties:	Huai'an Runleju and SRF
Overdue Consultancy Fees:	RMB347.4 million (equivalent to HK$384.1 million)
Settlement period:	SRF shall settle the aggregate of RMB347.4 million (equivalent to HK$384.1 million) to Huai'an Runleju on or before 31 December 2030.
Interest payment:	The interest on the outstanding amount will be accrued from 1 January 2023, and will be payable on 31 December 2030, at the prevailing benchmark rate for three-year RMB fixed deposit published by the China Construction Bank in PRC from time to time.
Other terms and conditions:	The performance of the Consultancy Fees Payment Extension Agreement is conditional upon the approval by the Independent Shareholders at the EGM. Save as modified by the Consultancy Fees Payment Extension Agreement, IEC Supplemental Termination Agreement, all other terms and conditions of the IEC Termination Agreement and IEC Supplemental Termination Agreement shall remain unchanged and continue in full force and effect.
Governing law:	The laws of the PRC.

Directors' views on the Consultancy Fees Payment Extension Agreement

The Directors understand that completion and sales of the IEC Project continue to be affected by the persistent sluggish PRC real estate market, reduced bank financing support and limited cash flows because of low selling prices and volumes. Having considered the alternatives available, including the prospects, costs and uncertainties associated with initiating legal proceedings in the PRC where the Group is an unsecured creditor and all equity interests of SRF are pledged to a financial institution, the Board is of the view that a further extension of the settlement period of the Overdue Consultancy Fees is, on balance, the most commercially viable option to maximise the prospect of recovery while avoiding actions that could adversely affect the construction progress of the IEC Project and SRF's ability to pay. The Board has also noted that a provision for impairment has been made on the full amount of the Overdue Consultancy Fees during the two years ended 31 December 2023.

The Board (other than the independent non-executive Directors whose views will be set forth in the circular after considering the advice of the Independent Financial Adviser) has reviewed the principal terms and conditions of the Consultancy Fees Payment Extension Agreement and considers that the terms are on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole. However, given its nature, the entering into of the Consultancy Fees Payment Extension Agreement is not in the ordinary and usual course of business of the Company.

Information on the parties to the Consultancy Fees Payment Extension Agreement

The Group is principally engaged in the operation of department stores in the PRC. Huai'an Runleju is a wholly-owned subsidiary of the Company. Huai'an Runleju was engaged in the provision of integrated consulting services.

SRF is a limited liability company established in the PRC. It is principally engaged in the real estate development business. As of the date of this announcement, Mr. Yang and Mr. Yang's Controlled Companies held the entire equity interest in SRF. SRF is therefore a connected person (as defined under the Listing Rules) of the Company.

Implications under the Listing Rules

SRF is a connected person of the Company. The Consultancy Fees Payment Extension Agreement constitutes a material variation of the terms of the IEC Termination Agreement and the IEC Supplemental Termination Agreement and therefore a connected transaction for the Company under Chapter 14A of The Listing Rules. Based on the applicable percentage ratios in respect of the Consultancy Fees Payment Extension Agreement, the transaction is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Consultancy Fees Payment Extension Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and how to vote at the EGM. The Company has appointed Innovax Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM and despatch of Circular

The Company will convene an EGM at which an ordinary resolution will be proposed to approve the Consultancy Fees Extension Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) further information on the Consultancy Fees Payment Extension Agreement; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) other general information as required under the Listing Rules; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before 13 January 2026. If there is any delay in despatch of the circular, the Company will publish further announcements as and when appropriate.

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

Further announcements will be made by the Company as and when appropriate in compliance with the Listing Rules.

Definitions used in this announcement

Unless the context requires otherwise, the capitalised terms used herein shall have the following meanings:

"2019 EGM"	the extraordinary general meeting of the Company held on 14 June 2019 at which, amongst others, the IEC Project Consulting Service Agreement and the connected transactions constituted thereunder were approved by the independent Shareholders;

"2023 EGM"	the extraordinary general meeting of the Company held on 29 March 2023 at which, amongst others, the IEC Supplemental Termination Agreement and the connected transactions constituted thereunder were approved by the independent Shareholders;
"Board"	the board of Directors;
"Company"	Shirble Department Store Holdings (China) Limited (歲寶百貨控股(中國)有限公司), a company incorporated in the Cayman Islands with limited liability with all its shares listed on the Stock Exchange (stock code: 312);
"Consultancy Fees Payment Extension Agreement"	the supplemental agreement entered into between Huai'an Runleju and SRF on 30 December 2025 for the purpose of further extension of the settlement of the Overdue Consultancy Fees;
"Director(s)"	the director(s) of the Company;
"EGM"	the extraordinary general meeting of the Company expected to be convened in Hong Kong or any adjournment thereof for the purpose of seeking the approval from the Independent Shareholders on the Consultancy Fees Payment Extension Agreement;
"First Announcement"	the announcement issued by the Company on 8 April 2019 on, inter alia, the IEC Project Consulting Service Agreement;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC;

"Huai'an Runleju"	Huai'an Runleju Engineering Construction Co., Ltd. (淮安市潤樂居工程建設有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company (formerly known as Shenzhen Runju Engineering Construction Co., Ltd. (深圳市潤居工程建設有限公司) before May 2023 and Shenzhen Shirble Enterprise Management Co., Ltd. (深圳市歲寶企業管理有限公司) ("**Shirble Management Consultant**") before January 2023);
"IEC Project"	the International Exhibition Center Project, being phase one of the property development project situated at the intersection between Shangbu Road and Nigang Road, the Futian District, Shenzhen, the PRC and is beneficially owned by SRF;
"IEC Project Consulting Service Agreement"	the integrated consulting service agreement entered into between Shirble Management Consultant and SRF on 8 April 2019, in relation to the provision of certain consulting services by Shirble Management Consultant to SRF in respect of the IEC Project;
"IEC Supplemental Termination Agreement"	the supplemental agreement entered into between Shirble Management Consultant and SRF on 30 December 2022 for the purpose of amending the terms of the IEC Termination Agreement;
"IEC Termination Agreement"	the termination agreement entered into between Shirble Management Consultant and SRF on 30 December 2020 for the purpose of terminating the IEC Project Consulting Service Agreement;
"Independent Board Committee"	the independent board committee of the Company comprising all independent non-executive Directors, namely Mr. Chen Fengliang, Mr. Jiang Hongkai and Mr. TSANG Wah Kwong, established to make recommendations to the Independent Shareholders on their voting on the resolutions to be proposed at the EGM on the approval of the Consultancy Fees Extension Agreement and the transactions contemplated thereunder;

"Independent Financial Adviser"	Innovax Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Consultancy Fees Extension Agreement and the transactions contemplated thereunder;
"Independent Shareholders"	the Shareholders who are not required to abstain from voting under the Listing Rules on the resolutions approving the Consultancy Fees Extension Agreement and the transactions contemplated thereunder to be tabled at the EGM;
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Mr. Yang"	Mr. YANG Ti Wei (楊題維), an executive Director, Deputy Chairman and Chief Executive Officer of the Company;
"Mr. Yang's Controlled Companies"	Shenzhen Meilianchuang Investment Development Co., Ltd.* (深圳市美聯創投資發展有限公司), Shenzhen Shunxiangyuan Investment Co., Ltd.* (深圳市順祥源投資有限公司), Shenzhen Anjuyuan Investment Co., Ltd.* (深圳市安居源投資有限公司) and Shenzhen Heruikang Investment Development Co., Ltd.* (深圳市合瑞康投資發展有限公司), Shenzhen Jinshunmao Investment Co., Ltd. * (深圳市金順茂投資有限公司), Shenzhen Dingguanghao Investment Development Co., Ltd.* (深圳市鼎廣浩投資發展有限公司), which were established in Shenzhen, the PRC, and equity interests of these companies are beneficially owned by Mr. Yang;
"Overdue Consultancy Fees"	the outstanding service fees and related interest expenses payable by SRF to the Group pursuant to the Consultancy Fees Payment Extension Agreement;

"PRC"	The People's Republic of China which for the purpose of this announcement and geographical and jurisdictional references only, excludes Hong Kong, The Macau Special Administration Region of the PRC and Taiwan;
"RMB"	Renminbi yuan, the lawful currency of the PRC;
"Second Announcement"	the announcement issued by the Company on 30 December 2022 on, inter alia, the IEC Supplemental Termination Agreement;
"Shareholders"	holders of the shares of the Company from time to time;
"SRF"	Shenzhen Shengrunfeng Investment & Development Co., Ltd.* (深圳市晟潤豐投資發展有限公司), a limited liability company established in the PRC and a connected person of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
%	per cent.

Note: For illustration only, amounts in RMB may be translated into HK$ at an exchange rate of RMB1.0 = HK$1.1056. No representation is made that any amounts can be converted at such rate or any other rate.

* *For identification purpose only*

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

Hong Kong, 30 December 2025

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