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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)**

### **ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025**

The following sets forth a summary of the audited consolidated results of the Group for the FY2025:

- Revenue for the FY2025 was RMB191.0 million, representing a slight decrease of 4.6%, as compared to RMB200.3 million for the FY2024;
- Operating loss for the FY2025 was RMB57.1 million, as compared to RMB32.1 million for the FY2024;
- Loss attributable to owners of the Company for the FY2025 was RMB96.4 million, as compared to RMB33.8 million for the FY2024;
- Basic loss per share for the FY2025 was RMB0.04, as compared to RMB0.01 for the FY2024; and
- Net asset value per share as of 31 December 2025 was RMB0.26, as compared to RMB0.30 as of 31 December 2024.

The Board has decided not to recommend any final dividend of the Company for the FY2025 (FY2024: Nil) as the Group still incurred operating loss for the year.

## FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The following sets forth the audited consolidated results of Shirble Department Store Holdings (China) Limited (the “Company”) and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025 (the “FY2025”), together with the comparative figures for the year ended 31 December 2024 (the “FY2024”).

### CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	Year ended 31 December	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	5	191,043	200,295
Other operating revenue	6	31,446	27,686
Other gains – net	7	19,803	17,526
Fair value losses on investment properties	14	(171,138)	(139,483)
Purchase of and changes in inventories	8	(8,971)	(11,571)
Employee benefit expenses	8,9	(31,091)	(36,874)
Depreciation and amortisation expenses	8	(2,240)	(2,355)
Net impairment losses on financial assets	8	(4,269)	(1,554)
Other operating expenses – net	8	(81,675)	(85,813)
<b>Operating loss</b>		<b>(57,092)</b>	<b>(32,143)</b>
Finance income	10	5,485	6,779
Finance costs	10	(54,721)	(75,894)
Finance costs – net	10	(49,236)	(69,115)
<b>Loss before income tax</b>		<b>(106,328)</b>	<b>(101,258)</b>
Income tax credit	11	9,922	67,494
<b>Loss for the year</b>		<b>(96,406)</b>	<b>(33,764)</b>
<b>Loss attributable to:</b>			
Owners of the Company		<b>(96,406)</b>	<b>(33,764)</b>
<b>Loss per share for the loss attributable to owners of the Company</b> (expressed in RMB per share)			
– Basic and diluted	12	<b>(0.04)</b>	<b>(0.01)</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	<u>(96,406)</u>	<u>(33,764)</u>
<b>Other comprehensive income/(loss)</b>		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	<u>1,752</u>	<u>(1,322)</u>
<b>Other comprehensive income/(loss) for the year</b>	<u>1,752</u>	<u>(1,322)</u>
<b>Total comprehensive loss for the year</b>	<u>(94,654)</u>	<u>(35,086)</u>
<b>Attributable to:</b>		
Owners of the Company	<u>(94,654)</u>	<u>(35,086)</u>

## CONSOLIDATED BALANCE SHEET

		<b>As at 31 December</b>	
		<u>2025</u>	<u>2024</u>
<i>Note</i>		<i>RMB'000</i>	<i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
	Investment properties	14 <b>1,437,602</b>	1,660,410
	Property, plant and equipment	15 <b>18,063</b>	20,713
	Intangible assets	<b>124</b>	216
	Deferred income tax assets	<b>5,629</b>	1,635
	Other receivables and prepayments	16 <b>57,787</b>	115,446
		<u><b>1,519,205</b></u>	<u>1,798,420</u>
<b>Current assets</b>			
	Inventories	<b>2,475</b>	2,749
	Trade receivables, other receivables and prepayments	16 <b>16,243</b>	58,929
	Properties held for sale	17 <b>–</b>	253,000
	Deferred income tax assets	<b>863</b>	987
	Restricted bank deposits	<b>17,583</b>	12,340
	Cash and cash equivalents	<b>16,477</b>	43,091
		<u><b>53,641</b></u>	<u>371,096</u>
	<b>Total assets</b>	<u><b>1,572,846</b></u>	<u>2,169,516</u>

		<b>As at 31 December</b>	
		<b>2025</b>	<b>2024</b>
<i>Note</i>		<b>RMB'000</b>	<b>RMB'000</b>
<b>EQUITY</b>			
	Share capital	<b>213,908</b>	213,908
	Share premium	<b>750,992</b>	750,992
	Other reserves	<b>458,671</b>	456,919
	Accumulated losses	<b>(767,464)</b>	(671,058)
	<b>Total equity</b>	<b>656,107</b>	750,761
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
	Lease liabilities	<b>338,803</b>	496,608
	Deferred income tax liabilities	<b>81,976</b>	88,176
	Borrowings	<b>212,000</b>	226,667
		<b>632,779</b>	811,451
<b>Current liabilities</b>			
	Lease liabilities	<b>61,998</b>	65,331
	Trade and other payables	<b>90,890</b>	148,822
	Contract liabilities	<b>12,971</b>	19,412
	Borrowings	<b>78,667</b>	331,387
	Income tax payable	<b>39,434</b>	42,352
		<b>283,960</b>	607,304
	<b>Total liabilities</b>	<b>916,739</b>	1,418,755
	<b>Total equity and liabilities</b>	<b>1,572,846</b>	2,169,516

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 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 stores operations in The People's Republic of China (the "PRC").

### 2. BASIS OF PREPARATION

These annual financial statements for the year ended 31 December 2025 have been prepared in accordance with IFRS Accounting Standards and requirements of the Hong Kong Companies Ordinance ("HKCO") (Cap. 622).

#### Going concern basis

For the year ended 31 December 2025, the Group incurred a net loss attributable to owners of the Company of approximately RMB96 million, while cash and bank balances decreased by approximately RMB21 million. As at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB230 million. The Group had cash and cash equivalents of approximately RMB16 million and a total of RMB291 million in bank borrowings, of which RMB79 million were current bank borrowings in the PRC.

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

In view of such circumstances, the directors of the Company (the "Directors") have given careful consideration to the future liquidity and operating performance of the Group and its available sources of financing to assess whether the Group will have sufficient financial resources to fulfil its financial obligations to continue as a going concern. The following plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position, including 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; and
- (ii) the Group's ability to obtain new banking facilities with the Group's assets which are available to be pledged as security will provide sufficient funding to the Group's operation, as and when needed. The Group will also consider to further dispose of other assets to generate more cash inflows, as and when needed.

The Group obtained credit facilities totaling RMB260,000,000 from a PRC bank, comprising a 7-year term loan of RMB200,000,000 and a RMB60,000,000 revolving loan facility. As at 31 December 2025, RMB26,000,000 of the term loan had been repaid, resulting in an outstanding balance of RMB174,000,000. Both the term loan and the revolving loan facility were fully utilized as at that date.

The Directors have reviewed the Group's cash flow projections, which cover a period not less than 12 months from 31 December 2025. In the opinion of the Directors, in light of the above and taking into account the anticipated cash flows to be generated from the Group's operations as well as the above plans and measures, the Group will have sufficient financial resources to satisfy its future working capital requirements in the 12 months immediately after 31 December 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. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate cash flows through:

- (i) successful implementation of the plans and measures to improve the operation performance of the department store business to generate operating cash inflow; and
- (ii) success in obtaining new banking facilities and/or generate cash inflow from disposal 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 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 MATERIAL ACCOUNTING POLICIES**

#### **(a) Application of new and amendments to IFRS Accounting Standards**

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") for the first time, which are mandatory effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Groups' financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) **New and amendments to IFRS Accounting Standards in issue but not yet effective**

The Groups have not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

		<b>Effective for annual periods beginning on or after</b>
Amendments to IFRS Accounting Standards 9 and IFRS Accounting Standards 7	Amendments to the Classification and Measurement of Financial Instruments – Amendments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – Dependent Electricity	1 January 2026
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS Accounting Standards 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS Accounting Standards 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 19	Subsidiaries without public Accountability: Disclosure	1 January 2027

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

*IFRS 18 Presentation and Disclosure in Financial Statements (“IFRS 18”)*

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the consolidated statement of comprehensive income; provide disclosures on management – defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS7 Statement of Cash Flows and IAS 33 Earnings per Share are also made. IFRS 18, and the consequential amendments to other IFRSs, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the IFRS 18 is not expected to have material impact on the financial position of the Group. The directors of the Company are in the process of making an assessment of the impact of IFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

#### 4. SEGMENT INFORMATION

The chief operating decision-makers are the Board that makes strategic decisions, and reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

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

- Department store business – operation of department stores;
- 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. At the Group level, 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 the PRC. No geographical information is therefore presented.

The segment information is as follows:

	<b>Year ended 31 December 2025</b>		
	<b>Department store business RMB'000</b>	<b>Others RMB'000</b>	<b>Group RMB'000</b>
<b>Revenue</b>	<b>191,043</b>	–	<b>191,043</b>
Revenue from contracts with customers			
At a point in time	9,759	–	9,759
Revenue from other sources			
Rental income	181,284	–	181,284
Other operating revenue	31,356	90	31,446
Other (losses)/gains – net	(15,274)	35,077	19,803
Fair value loss on investment properties	(171,138)	–	(171,138)
Purchase of and changes in inventories	(8,971)	–	(8,971)
Employee benefit expenses	(26,152)	(4,939)	(31,091)
Depreciation and amortisation expenses	(1,978)	(262)	(2,240)
Net impairment losses on financial assets	(4,269)	–	(4,269)
Other operating expenses – net	(78,094)	(3,581)	(81,675)
<b>Operating (loss)/profit</b>	<b>(83,477)</b>	<b>26,385</b>	<b>(57,092)</b>
Finance income	5,261	224	5,485
Finance costs	(54,703)	(18)	(54,721)
Finance costs – net	(49,442)	206	(49,236)
<b>(Loss)/profit before income tax</b>	<b>(132,919)</b>	<b>26,591</b>	<b>(106,328)</b>
Income tax credit	9,922	–	9,922
<b>(Loss)/profit for the year</b>	<b>(122,997)</b>	<b>26,591</b>	<b>(96,406)</b>

Year ended 31 December 2024

	Department store business <i>RMB'000</i>	Others <i>RMB'000</i>	Group <i>RMB'000</i>
<b>Revenue</b>	200,295	–	200,295
Revenue from contracts with customers			
At a point in time	12,790	–	12,790
Revenue from other sources			
Rental income	187,505	–	187,505
Other operating revenue	27,150	536	27,686
Other gains/(losses) – net	25,400	(7,874)	17,526
Fair value loss on investment properties	(139,483)	–	(139,483)
Purchase of and changes in inventories	(11,571)	–	(11,571)
Employee benefit expenses	(31,800)	(5,074)	(36,874)
Depreciation and amortisation expenses	(1,988)	(367)	(2,355)
Net impairment losses on financial assets	(550)	(1,004)	(1,554)
Other operating expenses – net	(84,872)	(941)	(85,813)
<b>Operating loss</b>	(17,419)	(14,724)	(32,143)
Finance income	6,219	560	6,779
Finance costs	(54,488)	(21,406)	(75,894)
Finance costs – net	(48,269)	(20,846)	(69,115)
<b>Loss before income tax</b>	(65,688)	(35,570)	(101,258)
Income tax (expenses)/credit	(58)	67,552	67,494
<b>(Loss)/profit for the year</b>	(65,746)	31,982	(33,764)

## 5. REVENUE

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Rental income	<b>181,284</b>	187,505
Direct sales	<b>9,455</b>	12,328
Commission from concessionaire sales	<b>304</b>	462
	<b><u>191,043</u></b>	<u>200,295</u>

There was one single customer contributing over 10% of the Group's total revenue for the years ended 31 December 2025 and 2024.

## 6. OTHER OPERATING REVENUE

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Promotion, administration and management income	<b>31,339</b>	26,985
Credit card handling fees for concessionaire sales	<b>15</b>	16
Government grant	<b>92</b>	685
	<b><u>31,446</u></b>	<u>27,686</u>

## 7. OTHER GAINS – NET

	<i>Note</i>	<b>Year ended 31 December</b>	
		<b>2025</b>	2024
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
Gains from modification of leases	<i>(a)</i>	<b>27,982</b>	37,829
Losses from write-off of long aging prepayments and trade and other payables	<i>(b)</i>	<b>(4,280)</b>	(5,354)
Loss on termination of finance leases		<b>(1,734)</b>	–
Losses on termination of leases	<i>(c)</i>	<b>(37,598)</b>	–
Net gains on disposal of a subsidiary ( <i>Note 22</i> )		<b>34,913</b>	–
Deposits forfeited for terminated lease agreements		<b>855</b>	437
Provision of impairment for properties held for sale ( <i>Note 17</i> )		–	(1,000)
Losses on disposal of property, plant and equipment		<b>(111)</b>	(2,609)
Provision for legal claims		<b>(634)</b>	(5,546)
Fair value changes recognized in FVPL		–	(4,350)
Others		<b>410</b>	(1,881)
		<b><u>19,803</u></b>	<u>17,526</u>

*Notes:*

- (a) Net gains of RMB28.0 million and RMB37.8 million were recognized in 2025 and 2024 respectively, mainly as the Group and the lessors entered into the supplementary lease agreements for certain stores' rent reduction. The gain resulted from the derecognition of lease liabilities as a lessee.
- (b) These long aging prepayments and trade and other payables are beyond the legal retroactive period and are not expected to be used or paid in the future.
- (c) Net losses of RMB37.6 million were recognized in 2025 mainly due to that the Group, the lessees and the lessors of two stores entered into the termination of lease agreement. The net losses resulted from the derecognition of related right-of-use assets and lease liabilities as a lessee and finance lease receivables as a lessor.

**8. EXPENSES BY NATURE**

	<i>Note</i>	<b>Year ended 31 December</b>	
		<b>2025</b>	<b>2024</b>
		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Purchase of and changes in inventories		<b>8,971</b>	11,571
Employee benefit expenses	9	<b>31,091</b>	36,874
Depreciation and amortisation expenses		<b>2,240</b>	2,355
Net impairment losses on financial assets		<b>4,269</b>	1,554
Utilities		<b>54,992</b>	58,021
Business travel expenses		<b>350</b>	450
Other tax expenses		<b>8,799</b>	9,099
Office expenses		<b>1,266</b>	1,776
Advertising costs		<b>223</b>	443
Cleaning fee		<b>2,476</b>	2,507
Auditor's remuneration			
– Audit services		<b>940</b>	1,380
– Other services		<b>–</b>	600
Bank charges		<b>55</b>	136
Transportation expenses		<b>7</b>	20
Net foreign exchange losses/(gains)		<b>2,561</b>	(1,487)
Other expenses		<b>10,006</b>	12,868
Total expenses		<b>128,246</b>	138,167

## 9. EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Wages and salaries	<b>26,479</b>	31,348
Social security costs	<b>3,331</b>	3,444
Severance payment	<b>1,281</b>	2,082
	<hr/>	<hr/>
Total employee benefit expenses	<b>31,091</b>	36,874
	<hr/>	<hr/>

## 10. FINANCE INCOME AND COSTS

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
Interest income from finance leases	<b>5,003</b>	5,893
Interest income from bank deposits	<b>482</b>	886
	<hr/>	<hr/>
	<b>5,485</b>	6,779
	<hr/>	<hr/>
Finance costs		
Interest expenses on operating leases as the lessee	<b>(28,538)</b>	(33,652)
Interest expenses on bank loans	<b>(26,183)</b>	(42,242)
	<hr/>	<hr/>
	<b>(54,721)</b>	(75,894)
	<hr/>	<hr/>
Finance costs – net	<b>(49,236)</b>	(69,115)
	<hr/>	<hr/>

## 11. INCOME TAX CREDIT

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax		
– PRC corporate income tax	148	(76,484)
Deferred income tax	(10,070)	8,990
Income tax credit	<u>(9,922)</u>	<u>(67,494)</u>

### Notes:

- (a) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.
- (b) Hong Kong profits tax has not been provided as the Group did not generate any assessable profits in Hong Kong during the year. 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.
- (c) The applicable income tax rate is 25% for the Group's subsidiaries generally.
- (d) The Group is not in the scope of the OECD Pillar Two model rules.

## 12. LOSS PER SHARE

### (a) Basic losses per share

	Year ended 31 December	
	2025	2024
Loss attributable to owners of the Company (in RMB thousand)	(96,406)	(33,764)
Weighted average number of ordinary shares in issue (thousands)	<u>2,495,000</u>	<u>2,495,000</u>
Basic loss per share (RMB per share)	<u>(0.04)</u>	<u>(0.01)</u>

- (b) The Group had no potentially dilutive ordinary shares in issue during this year, so the diluted loss per share equals the basic loss per share.

### 13. DIVIDEND

No dividend has been paid or declared by the Company during the years ended 31 December 2025 and 2024.

The Board has decided not to recommend any final dividend of the Company for the year ended 31 December 2025.

### 14. INVESTMENT PROPERTIES

	<b>Buildings</b>	<b>Right-of-use assets</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Year ended 31 December 2024</b>			
<b>As at 1 January 2024</b>	1,154,630	643,502	1,798,132
Capitalised subsequent expenditure	179	1,582	1,761
Net losses from fair value adjustment	<u>(49,089)</u>	<u>(90,394)</u>	<u>(139,483)</u>
<b>As at 31 December 2024</b>	<b><u>1,105,720</u></b>	<b><u>554,690</u></b>	<b><u>1,660,410</u></b>
<b>Year ended 31 December 2025</b>			
<b>As at 1 January 2025</b>	<b>1,105,720</b>	<b>554,690</b>	<b>1,660,410</b>
Capitalised subsequent expenditure	<b>231</b>	<b>541</b>	<b>772</b>
Transfer from lease receivables	–	<b>14,129</b>	<b>14,129</b>
Addition of lease	–	<b>1,035</b>	<b>1,035</b>
Early termination and modification of lease	–	<b>(67,606)</b>	<b>(67,606)</b>
Net losses from fair value adjustment	<u><b>(89,181)</b></u>	<u><b>(81,957)</b></u>	<u><b>(171,138)</b></u>
<b>As at 31 December 2025</b>	<b><u>1,016,770</u></b>	<b><u>420,832</u></b>	<b><u>1,437,602</u></b>

*Notes:*

- (a) The Group's investment properties are located in Shenzhen, Lufeng, Haifeng, Luhe and Xingning of the Guangdong Province and Changsha of Hunan Province of the PRC.

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

- (b) As at 31 December 2025, certain buildings were pledged to secure against certain long-term bank borrowings (Note 20).

- (c) Right-of-use assets which had been subleased out under financing leases were transferred from investment properties to finance lease receivables. The finance lease receivables were transferred to right-of-use assets upon the early termination of finance lease arrangement.

The Group's investment properties represented self-owned department stores and leased ones as right-of-use assets and are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties through leasing.

## 15. PROPERTY, PLANT AND EQUIPMENT

	<b>Other property, plant and equipment</b>	<b>Right-of-use assets</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Year ended 31 December 2024</b>			
<b>As at 1 January 2024</b>	24,293	1,831	26,124
Additions	38	501	539
Depreciation charge	(1,334)	(915)	(2,249)
Disposals	(3,701)	–	(3,701)
	<u>19,296</u>	<u>1,417</u>	<u>20,713</u>
<b>As at 31 December 2024</b>	<b>19,296</b>	<b>1,417</b>	<b>20,713</b>
<b>Year ended 31 December 2025</b>			
<b>As at 1 January 2025</b>	<b>19,296</b>	<b>1,417</b>	<b>20,713</b>
Additions	<b>15</b>	–	<b>15</b>
Depreciation charge	<b>(1,197)</b>	<b>(951)</b>	<b>(2,148)</b>
Disposals	<b>(517)</b>	–	<b>(517)</b>
	<u><b>17,597</b></u>	<u><b>466</b></u>	<u><b>18,063</b></u>
<b>As at 31 December 2025</b>	<b>17,597</b>	<b>466</b>	<b>18,063</b>

## 16. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

				As at 31 December 2025		
		Current	Non-current	Total		
		RMB'000	RMB'000	RMB'000		
	Note					
Trade receivables	(a)	15	–	15		
Amount due from a related party	(e)	336,164	–	336,164		
Receivables from operating leases	(b)	4,720	16,828	21,548		
Receivables from finance leases	(c)	9,045	22,900	31,945		
Interest receivables		96	–	96		
Lease deposits		250	17,391	17,641		
Other receivables		5,897	–	5,897		
		<b>356,187</b>	<b>57,119</b>	<b>413,306</b>		
Less: provision for impairment loss allowance	(e)	<b>(340,622)</b>	–	<b>(340,622)</b>		
Financial assets at amortised cost		15,565	57,119	72,684		
Prepayments	(d)	678	668	1,346		
Total trade and other receivables		<b>16,243</b>	<b>57,787</b>	<b>74,030</b>		
				As at 31 December 2024		
		Current	Non-current	Total		
		RMB'000	RMB'000	RMB'000		
	Note					
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	(c)	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		<b>(119,583)</b>	<b>(223,116)</b>	<b>(342,699)</b>		
Financial assets at amortised cost		58,929	113,674	172,603		
Prepayments	(d)	–	1,772	1,772		
Total trade and other receivables		<b>58,929</b>	<b>115,446</b>	<b>174,375</b>		

*Notes:*

(a) Trade receivables

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:

	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
0 – 30 days	–	1,038
Over 360 days	<b>15</b>	–
	<b>15</b>	<b>1,038</b>

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 31 December 2025, no impairment loss allowance was made based on the management's assessment (2024: nil).

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

(b) Right-of-use assets for property leases which had been subleased out under operating leases were recognized 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 due date is as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Current	<b>17,960</b>	23,000
0 – 30 days	<b>175</b>	341
31 – 90 days	<b>100</b>	692
91 – 365 days	<b>1,018</b>	909
More than 365 days	<b>2,295</b>	1,644
	<b>21,548</b>	<b>26,586</b>

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS Accounting Standards 9.

As at 31 December 2025, a provision of RMB3,937,000 (2024: RMB4,927,000) was made against the gross amount of receivables from operating lease.

- (c) Right-of-use assets for property leases which had been subleased out under financing leases were recognised as receivables from finance leases.

The table below analyses the Group's gross investment in finance leases by relevant maturity groupings at the end of each reporting period:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Finance lease receivables	<b>29,115</b>	110,183
Unguaranteed residual values	<b>7,931</b>	7,931
Gross investment in finance leases	<b>37,046</b>	118,114
Less: unearned finance income	<b>(5,101)</b>	(18,510)
Net investment in finance leases	<b>31,945</b>	99,604
Less: accumulated allowance for impairment	<b>(521)</b>	(1,608)
Finance lease receivables – net	<b>31,424</b>	97,996

The table below analyses the Group's gross investment in finance leases by relevant maturity groupings at the end of each reporting period:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Gross investment in finance leases		
Within 1 year	<b>9,045</b>	20,076
Between 1 and 2 years	<b>9,255</b>	19,694
Between 2 and 3 years	<b>5,900</b>	19,572
Between 3 and 4 years	<b>3,986</b>	15,712
Between 4 and 5 years	<b>3,986</b>	14,694
Later than 5 years	<b>4,874</b>	28,366
	<b>37,046</b>	118,114

- (d) The remaining balance of the non-current portion of prepayments representing the Group's cash paid to third parties for the purchase of property, plant and equipment and intangible assets.
- (e) On 30 December 2025, a supplemental agreement (the “**Consultancy Fees Payment Extension Agreement**”) has been entered into between Huai'an Runleju Engineering Construction Co., Ltd. (淮安市潤樂居工程建設有限公司), a wholly-owned subsidiary of the Company and Shenzhen Shengrunfeng Investment & Development Co., Ltd. (深圳市晟潤豐投資發展有限公司) (“**SRF**”) for the purpose of further extension of the settlement of the outstanding service fees and related interest expenses payable by SRF to the Group. The Consultancy Fees Payment Extension Agreement and the transactions contemplated thereunder was voted against by the independent shareholders at the extraordinary general meeting of the Company held on 19 March 2026. The overdue consultancy fees then became due and immediately repayable by SRF. The amount due from SRF had been fully impaired in prior years.

## 17. PROPERTIES HELD FOR SALE

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

In April 2025, properties held for sale were disposed of through the disposal of an entire equity interest of Zhuhai Xiangyao Real Estate Development Company Limited (珠海市祥耀房地產開發有限公司) (“Zhuhai Xiangyao”).

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 20).

## 18. TRADE AND OTHER PAYABLES

	<i>Note</i>	<b>As at 31 December</b>	
		<b>2025</b>	2024
		<b>RMB'000</b>	<b>RMB'000</b>
Lease deposits		<b>33,311</b>	44,628
Other tax payables		<b>2,560</b>	12,460
Accrued wages and salaries		<b>2,497</b>	3,060
Trade payables	<i>(a)</i>	<b>1,590</b>	937
Amount due to a related party		<b>34</b>	4
Accrued bank interest and penalties on borrowings	<i>(b)</i>	<b>968</b>	26,394
Provisions for losses on legal claims		<b>1,023</b>	5,546
Rent received from customers in advance		<b>12,104</b>	11,984
Other payables and accruals	<i>(d)</i>	<b>36,803</b>	43,809
		<b>90,890</b>	148,822

*Notes:*

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

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	<b>RMB'000</b>
0 – 30 days	<b>1,590</b>	937

(b) As at 31 December 2024, the bank interest and penalty mainly were accrued for the outstanding bank borrowing owed by Zhuhai Xiangyao. As at 31 December 2025, the accrued corresponding bank interest and penalty were derecognized through the disposal of a subsidiary.

- (c) All trade and other payables are denominated in RMB/HKD and their fair values approximated their carrying amounts as at 31 December 2025 and 2024.
- (d) In March 2026, the Group entered into a settlement agreement with a former landlord to resolve a lease dispute. Pursuant to the settlement agreement, the Company has already settled the rent payables of RMB 4.2 million in March 2026.

## 19. CONTRACT LIABILITIES

	<i>Note</i>	<b>As at 31 December</b>	
		<b>2025</b>	2024
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
Advances received from customers	(a)	<b>12,971</b>	19,412

*Notes:*

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

## 20. BORROWINGS

	<i>Note</i>	<b>As at 31 December</b>	
		<b>2025</b>	2024
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Non-current</b>			
Secured long-term bank borrowings	(a)	<b>212,000</b>	226,667
<b>Current</b>			
Current portion of secured long-term bank borrowings	(a) (b)	<b>18,667</b>	280,607
Secured short-term borrowing	(c)	<b>60,000</b>	50,780
		<b>78,667</b>	331,387
		<b>290,667</b>	558,054

*Notes:*

- (a) As at 31 December 2025, RMB230,667,000 (2024: RMB253,334,000) of secured long-term borrowing was denominated in RMB, and secured by certain investment properties (Note 14) and certain receivables from rental income (Note 16). During the year ended 31 December 2025, the weighted average effective interest rate was 6.23% (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 17). 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.
- (c) As at 31 December 2025 and 2024, the secured short-term borrowing was denominated in RMB, secured by certain investment properties (Note 14) and was repayable within one year. During the year ended 31 December 2025, the weighted average effective interest rate was 6.35% (2024: 6.98%) per annum.
- (d) At 31 December 2025, the Group's bank borrowings were repayable as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	<b>78,667</b>	331,387
Between 1 and 2 years	<b>12,000</b>	26,667
Between 2 and 5 years	<b>60,000</b>	80,000
Over 5 years	<b>140,000</b>	120,000
	<b>290,667</b>	558,054

- (e) The carrying amounts of the bank borrowings approximated their fair values as these borrowings are mainly floating-rate borrowings.

## 21. COMMITMENTS

### (a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Purchases of property, plant and equipment	<b>619</b>	2,254
	<b>619</b>	2,254

(b) **Non-cancellable operating leases – the Group as the lessor**

The future aggregate minimum lease receipts under non-cancellable operating leases are as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	<b>RMB'000</b>
Buildings:		
Within 1 year	<b>106,532</b>	159,925
Between 1 and 2 years	<b>69,931</b>	121,241
Between 2 and 3 years	<b>53,724</b>	78,369
Between 3 and 4 years	<b>40,800</b>	60,678
Between 4 and 5 years	<b>34,042</b>	46,670
Later than 5 years	<b>174,472</b>	122,103
	<b>479,501</b>	588,986

**22. 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, 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 was 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:

	<i>RMB'000</i>
Other receivables and prepayments	21,389
Properties held for sale	253,000
Borrowings	(253,940)
Other payables	<u>(53,762)</u>
Net liabilities disposed of	<u>(33,313)</u>
	<i>RMB'000</i>
Consideration received:	
Cash received	<u>1,600</u>
	<i>RMB'000</i>
Gain on disposal of a subsidiary:	
Consideration received and receivable	1,600
Net liabilities disposed of	<u>(33,313)</u>
Gain on disposal	<u>34,913</u>
	<i>RMB'000</i>
Net cash inflow arising on disposal:	
Cash consideration	<u>1,600</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

During the FY2025, the Chinese economy maintained a modest growth trajectory, meeting its annual development targets despite a complex domestic and external environment. However, the domestic consumption market continued to face significant challenges characterised by rapidly shifting consumer preferences and intensifying competition from diversified e-commerce platforms. Profit margins remained under pressure due to rising operational costs and a heightened level of price sensitivity among consumers, who have become increasingly value-conscious in their purchasing behavior.

Despite these persistent headwinds, the domestic consumption market demonstrated notable resilience. Industry players, including the Group, successfully adapted to changing market dynamics through rigorous cost optimisation, a strategic shift toward domestic sourcing, and the implementation of enhanced customer engagement strategies. These efforts helped stabilise operations and maintain market share in a highly competitive retail landscape.

According to data from the National Bureau of Statistics of China (“**NBS**”), China’s GDP in the FY2025 amounted to the RMB140.19 trillion, representing a year-on-year increase of 5.0% as compared to FY2024. The national consumer price index (“**CPI**”) in December 2025 was 0.8% higher year-on-year, reflecting a gradual recovery in consumer demand compared to December 2024, when the CPI remained relatively constant with a marginal 0.1% increase. Furthermore, the total retail sales of consumer goods in the FY2025 reached RMB50.12 trillion, an increase of 3.7% year-on-year, showing an improvement over the 0.2% growth recorded in the FY2024.

Throughout the year, the Group continued to explore the consumer market by focusing on a community-centric business strategy under the guiding principle of being “small but beautiful, small but refined”. To sustain its competitiveness and appeal to a broader demographic, the Group introduced a new lifestyle brand tailored for the younger generation. By fostering deep collaborations between businesses and residents, the Group promoted targeted development and community-focused marketing initiatives. This emphasis on mutual benefit has emerged as a primary driver of the Group’s growth, providing a solid foundation for sustainable business development in the years ahead.

## **BUSINESS REVIEW**

During the FY2025, the Group recorded the revenue of RMB191.0 million (FY2024: RMB200.3 million). Loss attributable to owners of the Company for the FY2025 amounted to RMB96.4 million (FY2024: RMB33.8 million). With the continuous development of the social events and activities in the evening, the Group does not only continue to operate a one-stop shopping mall concept, but during the non-conventional business hours. Some convenient stores, gyms, restaurants and pharmacies are open 24 hours a day to achieve a 24-hour community business ecosystem that benefits the consumers and taps the value of night-time consumption to meet the demand of the middle class population in the PRC for food, merchandise and services.

Furthermore, online platforms and membership loyal programs are changing the retail industry crucially for the consumers seeking goods and services online and bulk purchase becomes a habit after pandemic. The Group uses different online platforms to promote and stimulate consumers' interest and continue to provide quality goods and services to increase the customer patronage and enhance the shopping experience to attract and retain new customers.

As of 31 December 2025, the Group operated and/or managed 12 department stores with a total gross floor area of 213,284 sq.m., of which 43.3% are the self-owned properties.

With the economic downside risk relating to the highly leveraged real estate sector, the Group has suspended property investments and implemented proactive measures to mitigate the negative impact and strengthen the business resilience on the related business activities.

## **BUSINESS OUTLOOK**

Overall, the Group remains positive in its business prospects and is committed to improving its operations and services to meet customer needs, and thereby increases the return of investment of the Group as a whole.

Looking ahead, the Group will consolidate its resources, enhance its market position and increase the operational efficiency to meet the diverse needs of consumers and continue to explore future market opportunities.

## **FINANCIAL REVIEW**

The operating results of the Group for the FY2025 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 were all contributed from the department store business for the FY2025 and the FY2024. Revenue of the Group amounted to RMB191.0 million for the FY2025, representing a slight decrease of 4.6%, as compared to RMB200.3 million in the FY2024.

Loss attributable to owners of the Company for the FY2025 amounted to RMB96.4 million and for the FY2024 amounted to RMB33.8 million, respectively.

(b) **Department store business segment**

Set forth below is the segmental information of the Group's department store business for the FY2025, together with the comparative figures for the FY2024:

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Revenue	<b>191,043</b>	200,295
Other operating revenue	<b>31,356</b>	27,150
Other (losses)/gains – net	<b>(15,274)</b>	25,400
Fair value loss on investment properties	<b>(171,138)</b>	(139,483)
Purchase of and changes in inventories	<b>(8,971)</b>	(11,571)
Employee benefit expenses	<b>(26,152)</b>	(31,800)
Depreciation and amortisation expenses	<b>(1,978)</b>	(1,988)
Net impairment losses on financial assets	<b>(4,269)</b>	(550)
Other operating expenses – net	<b>(78,094)</b>	(84,872)
<b>Operating loss</b>	<b>(83,477)</b>	(17,419)
Finance income	<b>5,261</b>	6,219
Finance costs	<b>(54,703)</b>	(54,488)
Finance costs – net	<b>(49,442)</b>	(48,269)
<b>Loss before income tax</b>	<b>(132,919)</b>	(65,688)
Income tax credit/(expense)	<b>9,922</b>	(58)
<b>Loss for the year</b>	<b>(122,997)</b>	(65,746)

## Revenue

Revenue breakdowns of the Group's department store business for the FY2025 and the FY2024 are as follows:

	Year ended 31 December		Percentage of department store's revenue of the Group	
	2025	2024	2025	2024
	RMB'000	RMB'000	%	%
Rental income	181,284	187,505	94.9	93.6
Direct sales	9,455	12,328	5.0	6.2
Commission from concessionaire sales	304	462	0.1	0.2
<b>Total</b>	<b>191,043</b>	<b>200,295</b>	<b>100</b>	<b>100.0</b>

The rental income decreased slightly by 3.3% to RMB181.3 million for the FY2025 from RMB187.5 million for the FY2024. The direct sales decreased by 22.8% to RMB9.5 million for the FY2025 from RMB12.3 million for the FY2024.

## Other operating revenue

The other operating revenue increased to RMB31.4 million for the FY2025 from RMB27.2 million for the FY2024. The increase was mainly due to increase in promotion, administration and management income.

## Other losses – net

Other losses – net amounted to RMB15.3 million for the FY2025, as compared to net gains of RMB25.4 million for the FY2024, was primarily due to loss on termination of leases of RMB37.6 million, which offset by net gains of RMB28.0 million recognised as the Group entered into supplemental agreements of three stores for rental reduction for the FY2025.

#### *Fair value loss on investment properties*

The fair value loss on investment properties increased to RMB171.1 million for the FY2025 from RMB139.5 million for the FY2024.

#### *Purchase of and changes in inventories*

Purchase of and changes in inventories amounted to RMB9.0 million for the FY2025, representing a decrease of 22.4%, as compared to RMB11.6 million for the FY2024, which was in line with the trend in direct sales.

#### *Employee benefit expenses*

The employee benefit expenses decreased by 17.6% from RMB31.8 million for the FY2024 to RMB26.2 million for the FY2025. The Group has undergone a streamlining process in its human resources structure to reduce staff costs since previous years.

#### *Depreciation and amortisation expenses*

The depreciation and amortisation expenses maintained at RMB2.0 million for the FY2025 and for the FY2024.

#### *Other operating expenses – net*

Other operating expenses, which principally comprised of utility expenses, advertising, marketing, promotion and related expenses, other tax expenses, bank charges, exchange differences and maintenance expenses, decreased by 8.0% to RMB78.1 million for the FY2025 from RMB84.9 million for the FY2024 mainly due to effective cost control.

#### *Operating loss*

As a result of the reasons mentioned above, the operating loss of the department store business segment amounted to RMB83.5 million for the FY2025, as compared to the operating loss of RMB17.4 million for the FY2024.

### *Finance income*

Finance income amounted to RMB5.3 million for the FY2025, as compared to RMB6.2 million for the FY2024, mainly due to the decrease in interest income from finance lease and interest income from bank deposits.

### *Finance costs*

Finance costs increased by 0.4% to RMB54.7 million for the FY2025, as compared to RMB54.5 million for the FY2024, mainly due to the increase in the interest expenses on operating leases as the lessee and the increase in interest expenses on bank loans.

### *Income tax credit/(expenses)*

Income tax credit amount to RMB9.9 million for the FY2025, as compared to income tax expenses of RMB0.1 million for the FY2024.

### *Loss for the year*

As a result of the aforementioned, loss attributable to the department store business segment amounted to RMB123.0 million for the FY2025, as compared to the loss of RMB65.7 million for the FY2024.

## **(c) Others segment**

Others represent 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. Such gains amounted to RMB26.6 million for the FY2025, as compared to the gains amounted to RMB32.0 million for the FY2024, mainly due to the gains on disposal of a subsidiary of RMB34.9 million for the FY2025.

## **DIVIDEND**

The Board has decided not to recommend any final dividend for the FY2025 (FY2024: nil).

## **LIQUIDITY AND FINANCIAL RESOURCES**

As of 31 December 2025 and as of 31 December 2024, the Group's cash and cash equivalents and restricted bank deposits amounted to RMB34.1 million and RMB55.4 million, respectively. The cash and cash equivalents and restricted bank deposits, which were in RMB and Hong Kong dollars, were deposited with banks in the PRC and Hong Kong for interest income.

### **Borrowings**

The Group had long-term and short-term borrowings of RMB230.7 million and RMB60.0 million, respectively as of 31 December 2025 (31 December 2024: long-term and short-term borrowings of RMB507.3 million and RMB50.8 million, respectively), mainly representing the secured bank borrowing denominated in RMB secured by the charge of properties in the PRC. The gearing ratio, which is calculated by the Group's total borrowings divided by its shareholders equity, was 44.3% as of 31 December 2025 (31 December 2024: 74.3%).

### **Net current liabilities and net assets**

The net current liabilities of the Group as of 31 December 2025 were RMB230.3 million (31 December 2024: 236.2 million). The net assets of the Group as of 31 December 2025 amounted to RMB656.1 million (31 December 2024: 750.8 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 Hong Kong dollars. For the FY2025, the Group recorded a net foreign exchange loss of RMB2.6 million (FY2024: gain of RMB1.5 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 of 31 December 2025, the total number of employees of the Group was 176 (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 introduced the key performance indicators assessment scheme to boost performance and operational efficiency.

## **Contingent liabilities**

Certain suppliers and an ex-employee have commenced legal proceedings in the PRC against the Group in respect of disputes over contract terms and employment contract terms. As of 31 December 2025, the legal proceedings are ongoing. The Group has estimated the amount of contingent liabilities of RMB23,000 for the FY2025 (31 December 2024: RMB764,000) which the Directors believe is adequate to cover the amounts, if any, payable in respect of these claims.

## **Material acquisition and disposal of subsidiaries**

Except for the disposal of the entire equity interest in Zhuhai Xiangyao Real Estate Development Company Limited at a consideration of RMB1.6 million, there were no material acquisition and disposal of subsidiaries and associated companies during the FY2025.

## **SUBSEQUENT EVENT**

On 30 December 2025, a supplemental agreement (the “**Consulting Fee Payment Extension Agreement**”) has been entered into between Huai’an Runleju Engineering Construction Co., Ltd. (淮安市潤樂居工程建設有限公司), a wholly-owned subsidiary of the Company and Shenzhen Shengrunfeng Investment & Development Co., Ltd. (深圳市晟潤豐投資發展有限公司) (“**SRF**”) for the purpose of further extension of the settlement of the outstanding service fees and related interest expenses payable by SRF to the Group. The Consultancy Fees Payment Extension Agreement and the transactions contemplated thereunder was voted against by the independent shareholders at the extraordinary general meeting of the Company held on 19 March 2026.

Further information on the above transaction are disclosed in the announcements of the Company dated 30 December 2025, 19 March 2026 and the Shareholders’ circular of the Company dated 26 February 2026.

Save as disclosed above, there was no significant event taking place subsequent to 31 December 2025 and up to the date of this announcement.

## **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 sale of treasury shares) during the FY2025.

## **CORPORATE GOVERNANCE**

During the FY2025, 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 Listing Rules.

The internal audit department (the “**Internal Audit Department**”) of the Group has reported its findings and work plan to the audit committee (the “**Audit Committee**”) of the Board twice in a year, and the Board and the Audit Committee then reviewed and refined the Group's material controls, including 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 Internal Audit Department periodically reports their review and findings on the internal controls of the Group to the Audit Committee and the Board.

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 with the Directors, all Directors confirmed that they had complied with the required standard of dealings as set forth in the Model Code during the FY2025.

## **AUDIT COMMITTEE**

As of the date of this announcement, 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 FY2025, the Audit Committee held three meetings with the management, external auditor and internal control consultant to discuss on the Group's auditing, internal controls, financial reporting matters and the change of auditor and to review on the Group's interim results for the six months ended 30 June 2025 and the annual results for the FY2024.

The Audit Committee has reviewed the annual results of the Group for the FY2025.

## **SCOPE OF WORK OF RONGCHENG**

The financial figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the FY2025 as set forth in this preliminary announcement have been agreed by the Group's auditor, Rongcheng (Hong Kong) CPA Limited ("**Rongcheng**"), to the amounts set forth in the Group's audited consolidated financial statements for the year. The work performed by Rongcheng in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Rongcheng on this preliminary announcement.

## **EXTRACT OF INDEPENDENT AUDITOR'S OPINION**

The following is an extract of the independent auditor's report on the Group's audited consolidated financial statements for the FY2025.

### **Our opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## **Material uncertainty related to going concern**

We draw attention to Note 2.1.1 to the consolidated financial statements, which indicates that the Group incurred a net loss attributable to owners of the Company of approximately RMB96 million, while cash and bank balances decreased by approximately RMB21 million during the year ended 31 December 2025. As at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB230 million and as of the same date, the Group had cash and cash equivalents of approximately RMB16 million and a total of RMB291 million in bank borrowings, of which RMB79 million were current bank borrowing in the PRC. These conditions, along with other matters as set forth in Note 2.1.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **PUBLICATION OF ANNUAL REPORT**

The annual report for the FY2025 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 Company and The Stock Exchange of Hong Kong Limited 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, 30 March 2026

*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.*