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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012 AND RESUMPTION OF TRADING OF SHARES

ANNUAL RESULTS

The Board refers to the announcements of the Company dated 15 March 2013 and 28 March 2013 and the profit warning announcement of the Company dated 10 April 2013. The following sets forth a summary of the audited consolidated results of the Group for the year ended 31 December 2012:–

– Revenue of the Group was RMB1,372.0 million, representing a decrease of 4.3% as compared with the revenue in 2011;

– Total gross sales proceeds(1) of the Group were RMB2,222.9 million, representing a decrease of 3.4% as compared with the gross sales proceeds in 2011;

– Loss before finance costs and tax of the Group was RMB47.3 million as compared with the profit before finance costs and tax in 2011;

– Loss attributable to the owners of the Company was RMB45.8 million as compared with the profit attributable to the owners of the Company in 2011;

– Basic loss per Share was RMB0.02; and

– Net asset value per Share was RMB0.58.

Note:

(1) The total gross sales proceeds represent the aggregate of the revenue from direct sales of the Group and the concessionaire sales at the Group's department stores plus the reversal of deferred income in respect of long-aged unredeemed pre-paid cards.

For the year ended 31 December 2012, the Group incurred a loss before finance costs and tax of RMB47.3 million. The loss was principally attributable to (i) a moderate decrease in the direct sales and the commission income received from concessionaire sales generated from the existing department stores of the Group; (ii) the start-up loss incurred by the Group's newly opened department stores in 2012; and (iii) the continuous increases in the administrative expenses, operating costs and staff cost of the Group with expanded department store network of the Group and the new senior management team members of the Group.

In view of the loss incurred for the year ended 31 December 2012 and the working capital requirements for the continuous business expansion of the Group, the Board does not recommend any final or special dividend for the year ended 31 December 2012 (2011: a final dividend of RMB0.0062 per Share and a special dividend of RMB0.0221 per Share).

RESUMPTION OF TRADING OF SHARES

At the request of the Company, trading of the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 April 2013 pending the release of this announcement. Application has been made by the Company for the resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on 25 April 2013.

I. FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

The Board refers to the announcement of the Company dated 15 March 2013 on the delay of publication of this announcement and the 2012 Annual Report. The following sets forth the audited consolidated results of the Group for the year ended 31 December 2012, together with the comparative figures for the year ended 31 December 2011. The Auditors will issue a qualified opinion in their auditor's report, an extraction of which is set forth in section VI of this announcement.

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2012	2011
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**1,372,030**	1,433,586
Other operating revenue	*4*	**117,135**	111,232
Other loss, net	*4*	**(14,091)**	(40,696)
Purchases of and changes in inventories	*5*	**(959,194)**	(998,197)
Employee benefits	*5,6*	**(192,309)**	(134,342)
Depreciation and amortisation	*5*	**(57,105)**	(39,620)
Operating lease rental expenses	*5*	**(166,372)**	(135,663)
Other operating expenses, net		**(147,424)**	(101,257)
(Loss)/profit before finance costs and tax		**(47,330)**	95,043
Finance income	*7*	**27,439**	22,241
Finance costs	*7*	**(2,784)**	(2,285)
Finance income – net		**24,655**	19,956
(Loss)/profit before income tax		**(22,675)**	114,999
Income tax expense	*8*	**(23,104)**	(43,367)
(Loss)/profit for the year		**(45,779)**	71,632
(Loss)/profit attributable to:			
Owners of the Company		**(45,779)**	71,632
(Loss)/earnings per Share for the (loss)/profit attributable to owners of the Company during the year (expressed in RMB per share)			
–Basic and diluted	*9*	**(0.02)**	0.03
Dividends	*10*	**–**	103,858

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2012	2011
	RMB'000	*RMB'000*
(Loss)/profit for the year	**(45,779)**	71,632
Other comprehensive income:		
Currency translation differences	**4**	208
Other comprehensive income for the year	**4**	208
Total comprehensive (loss)/income for the year	**(45,775)**	71,840
Attributable to:		
Owners of the Company	**(45,775)**	71,840

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2012	2011
	Notes	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**565,183**	311,494
Intangible assets		**52,273**	31,885
Deferred income tax assets		**48,102**	42,756
Trade and other receivables		**152,712**	–
		818,270	386,135
Current assets			
Inventories		**252,722**	252,291
Trade and other receivables	*11*	**108,075**	567,769
Bank deposits		**617,540**	780,152
Cash and cash equivalents		**1,144,010**	953,303
		2,122,347	2,553,515
Total assets		**2,940,617**	2,939,650
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**213,908**	213,908
Share premium		**894,338**	894,338
Other reserves		**195,008**	190,004
Retained profits		**135,532**	256,919
Total equity		**1,438,786**	1,555,169

		As at 31 December	
		2012	2011
	Notes	***RMB'000***	*RMB'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**4,000**	2,541
CURRENT LIABILITIES			
Trade and other payables	*12*	**1,229,433**	1,104,581
Income tax payable		**25,143**	34,149
Borrowings		**243,255**	243,210
		1,497,831	1,381,940
Total liabilities		**1,501,831**	1,384,481
Total equity and liabilities		**2,940,617**	2,939,650
Net current assets		**624,516**	1,171,575
Total assets less current liabilities		**1,442,786**	1,557,710

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE 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 operating department stores in the PRC.

2. BASIS OF PREPARATION

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention.

The Directors consider that the Group operates in a single business segment, i.e. operation and management of department stores in the PRC. Accordingly, no segmental analysis is presented.

During the year ended 31 December 2012, a review of useful lives and residual values of the property, plant and equipment for the department store operations was conducted. With effect from 1 July 2012, the estimated useful lives and residual values of certain categories of property, plant and equipment have been revised. This represents a change in accounting estimates and is accounted for prospectively. As a result of this change, the depreciation charge of the Group for the year ended 31 December 2012 has been increased by approximately RMB4,621,000. Such effect is expected to recur over the remaining lives of the relevant assets.

3. REVENUE

Revenue represents revenue from direct sales, commission from concessionaire sales, rental income and income from reversal of long-aged unredeemed prepaid cards. The amount of each significant category of revenue recognised is as follows:

	Note	**2012** ***RMB'000***	2011 *RMB'000*
Direct sales		**1,116,020**	1,171,117
Commission from concessionaire sales		**184,836**	198,075
Rental income	*(i)*	**51,935**	43,143
Income from reversal of long-aged unredeemed prepaid cards		**19,239**	21,251
		1,372,030	1,433,586

(i) The rental income from the leasing of shop premises is analysed as follows:

	2012 ***RMB'000***	2011 *RMB'000*
Sublease rental income	**43,798**	33,076
Contingent rental income	**8,137**	10,067
	51,935	43,143

4. OTHER OPERATING REVENUE AND OTHER LOSS, NET

	2012 *RMB'000*	2011 *RMB'000*
Other operating revenue		
Promotion, administration and management income	**97,389**	89,775
Credit card handling fees for concessionaire sales	**18,191**	19,623
Others	**1,555**	1,834
	117,135	111,232

	2012 *RMB'000*	2011 *RMB'000*
Other loss, net		
(Loss)/gain on disposal of property, plant and equipment	**(677)**	78
Impairment loss on prepayments for acquisition of a property in Haifeng *(Please refer to Note 11 (ii))*	**–**	(32,000)
Impairment loss of Luhe property	**(10,000)**	–
Provision for tendering deposit *(Please refer to Note 11 (iii))*	**–**	(10,000)
Provision for legal claims *(Please refer to Section V)*	**(4,369)**	–
Others	**955**	1,226
	(14,091)	(40,696)

5. EXPENSES BY NATURE

Expenses included in cost of sales, distribution costs and administrative expenses were analysed as follows:

	2012 *RMB'000*	2011 *RMB'000*
Purchases of and changes in inventories	**959,194**	998,197
Employee benefit expenses	**192,309**	134,342
Depreciation and amortisation expenses	**57,105**	39,620
Operating lease expenses	**166,372**	135,663
Utilities	**51,781**	41,323
Auditor's remuneration		
– Audit services	**8,600**	6,000
– Non-audit services	**900**	–
Other expenses	**86,143**	53,934
	1,522,404	1,409,079

6. EMPLOYEE BENEFIT EXPENSES

	2012	2011
	RMB'000	*RMB'000*
Wages and salaries	**175,081**	123,869
Social security costs	**14,499**	5,714
Others	**2,729**	4,759
	192,309	134,342

7. FINANCE INCOME, NET

	2012	2011
	RMB'000	*RMB'000*
Finance income		
Interest income from bank deposits	**27,439**	22,241
Finance costs		
Interest expenses	**(2,784)**	(2,285)
Finance income, net	**24,655**	19,956

8. INCOME TAX EXPENSES

	2012	2011
	RMB'000	*RMB'000*
Current income tax		
– PRC corporate income tax	**26,991**	48,920
– Over provision in prior years	**–**	(1,581)
Deferred income tax	**(3,887)**	(3,972)
	23,104	43,367

(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 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.

(iii) Shirble Department Store (Shenzhen) and Shirble Chain Store were entitled to a preferential income tax rate of 15% according to Regulations on Special Economic Zones in Guangdong Province. On 16 March 2007, People's Congress passed the Corporate Income law of the PRC ("New EIT Law") which took effect on 1 January 2008. According to the New EIT Law and its relevant regulations issued in December 2007, the income tax rates applicable to Shirble Department Store(Shenzhen) and Shirble Chain Store are 24% for 2011 and 25% for 2012, respectively.

(iv) The applicable income tax rate is 25% for Changsha Shirble Department Store Limited Liability Company, Changsha Shirble Apparel Co., Ltd., Shenzhen Shirble Mingxing Trading Co., Ltd., Shenzhen Xiangzhixuan Trading Co., Ltd., Shenzhen Ruizhuo Trading Company Limited, Shenzhen Yuzhixiang Trading Company Limited, Dongguan Shirble Department Store Co., Ltd and Shanwei Shirble.

9. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per Share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2012	2011
	RMB'000	*RMB'000*
(Loss)/profit attributable to equity holders of the Company	**(45,779)**	71,632
Weighted average number of ordinary shares in issue (thousands)	**2,495,000**	2,498,561
Basic (loss)/earnings per Share (RMB per Share)	**(0.02)**	0.03

(b) Diluted

Diluted (loss)/earnings per Share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The basic and diluted (loss)/earnings per share are the same as there were no dilutive potential ordinary shares throughout the years.

10. DIVIDENDS

(a) Dividends payable to owners of the Company attributable to the year:

	2012	2011
	RMB'000	*RMB'000*
Interim dividend declared and paid of RMB0 cents per Share (2011: RMB1.33 cents per Share)	**–**	33,250
Final dividend proposed after the end of the reporting period of RMB0 cents per Share (2011: RMB0.62 cents per Share)	**–**	15,469
Special dividend proposed after the reporting period of RMB0 cents per Share (2011: RMB2.21 cents per Share)	**–**	55,139
	–	103,858

(b) Dividends payable to owners of the Company attributable to the previous financial year.

	2012	2011
	RMB'000	*RMB'000*
Final dividend proposed after the end of the reporting period of RMB 0.62 cents per Share (2011: RMB0.41 cents per Share)	**15,469**	10,250
Special dividend proposed after the reporting period of RMB2.21 cents per Share (2011: RMB0 cents per Share)	**55,139**	–
	70,608	10,250

11. TRADE AND OTHER RECEIVABLES

		As at 31 December	
		2012	2011
	Notes	***RMB'000***	*RMB'000*
Current portion:			
Trade receivables	*(i)*	**23,238**	18,037
Prepayments	*(ii)*	**11,129**	512,330
Leased deposits		**38,395**	34,626
Amounts due from related parties		**1,935**	1,536
Other receivables	*(iii)*	**6,289**	10,463
Prepaid rental		**18,445**	13,392
Interest receivables		**8,644**	9,385
		108,075	599,769
Allowance for impairment loss on prepayments for acquisition of a property in Haifeng	*(ii)*	**–**	(32,000)
		108,075	567,769
Non-current portion:			
Prepayments for decoration work	*(ii)*	**7,920**	–
Prepayments for acquisition of a property in Lufeng	*(ii)*	**144,792**	–
		152,712	–
		260,787	567,769

(i) Trade receivables

Retail sales to individual consumers are usually settled in cash, or by major credit/debit cards. The Group has a policy of allowing a credit period ranging from 0-60 days to its corporate customers depending on the customers' relationship with the Group, their credit worthiness and settlement records.

The ageing analysis of the trade receivables of the Group based on invoice date or the time from the initial recognition of receivables is as follows:

	2012	2011
	RMB'000	*RMB'000*
0 – 30 days	**14,609**	15,162
31 – 90 days	**7,152**	2,400
91 – 365 days	**1,477**	475
	23,238	18,037

All trade and bills receivables are denominated in RMB and their carrying amounts approximated their fair values as at the balance sheet date.

As at 31 December 2012, trade receivables of RMB23,238,000 were fully performing (2011: RMB18,037,000).

(ii) Prepayments (current and non-current portions)

	Notes	**2012** *RMB'000*	2011 *RMB'000*
Prepayments for decoration work	*(a)*	**7,920**	88,896
Prepayments for acquisition of a distribution centre in Shenzhen	*(b)*	**–**	41,250
Prepayments for acquisition of a three-storey commercial property in Shenzhen	*(c)*	**–**	131,250
Prepayments for acquisition of a property in Haifeng	*(d)*	**–**	84,000
Prepayments for purchase of merchandise	*(e)*	**11,129**	166,934
Prepayments for acquisition of a property in Lufeng	*(f)*	**144,792**	–
		163,841	512,330
Allowance for impairment loss on prepayments for acquisition of a property in Haifeng	*(d)*	**–**	(32,000)
Total		**163,841**	480,330

Note:

(a) The balance as of 31 December 2012 represented the prepayments for decoration work for a department store of the Group. The balance as of 31 December 2011 included payments of RMB55.3 million made to two decoration companies as prepayments. The contracts for the decoration work were subsequently terminated, and the prepayments of RMB55.3 million were refunded from the respective decoration companies to the Group in March 2012 and April 2012 because the completion of the properties for delivery to the Group was delayed.

(b) The balance as of 31 December 2011 represented a prepayment of the price for the acquisition of a distribution centre in Shenzhen. The Board decided to terminate the relevant non-binding letter of intent and the prepayment of RMB41.25 million was refunded to the Group in March 2012. No construction work had commenced.

(c) The balance as of 31 December 2011 represented a prepayment of the price for the acquisition of a three-storey commercial property located in Shenzhen. The prepayment represented 50.0% of the purchase price under the sale and purchase agreement. The sale and purchase agreement for the property was subsequently terminated and the prepayment of RMB131.25 million was refunded to the Group in March 2012.

(d) The balance as of 31 December 2011 represented a prepayment of the price for the acquisition of a property located in Haifeng, Guangdong Province, the PRC. In accordance with the relevant sale and purchase agreement, the purchase price for the property was RMB168.0 million.

After signing of the relevant contract, an amount of RMB84.0 million was settled by the Group, of which RMB16.0 million was paid to the developer in the PRC and the remaining balance of RMB68.0 million was paid by the Company in Hong Kong to three individuals and one company as instructed by the developer.

On 1 April 2012, the Group made a further payment of RMB79.0 million to the developer in the PRC (which included RMB11.0 million as partial settlement of second instalment and RMB68.0 million as equivalent to the amount originally paid by the Group in Hong Kong), and the developer also refunded to the Group RMB68.0 million. In July 2012, the Group made a further payment of RMB68.0 million to the developer. As of 31 December 2012, net payments of RMB163.0 million have been made by the Group to the developer for the acquisition of the property located in Haifeng. Pursuant to the relevant sale and purchase agreement, the remaining balance of RMB5 million will be paid when the building ownership certificate of the property is issued.

The prepayment has been transferred to property, plant and equipment upon the completion of construction in September 2012.

Further information on the above prepayments and the related issues were set forth in the announcement of the Company dated 5 December 2012.

(e) The balance as of 31 December 2012 represented prepayments made to suppliers. The balance as of 31 December 2011 included payments of RMB152.5 million made to three entities as prepayments for purchase of merchandise as of 31 December 2011. Additional prepayments of RMB110.0 million were made by the Group to two of these entities in January 2012. All of these prepayments were refunded to the Group by these three entities in March 2012.

(f) The balance as of 31 December 2012 represented a prepayment for the acquisition of a property in Lufeng, Guangdong Province, the PRC. In October 2012, the Group signed a sale and purchase agreement with Lufeng Huace Property Development Co., Ltd (陸豐市華策置地有限公司) for the acquisition of the property at a price of RMB 206,846,080. The Group engaged a property valuer to perform a valuation of the property as of 31 December 2012. Based on the valuation report, the fair value of the property was RMB208,900,000 as of 31 December 2012.

(iii) Breakdown of other receivables is as follows:

	2012	2011
	RMB'000	*RMB'000*
Other receivables	**16,289**	20,463
Allowance for tendering deposit *(Note)*	**(10,000)**	(10,000)
	6,289	10,463

Note:

In December 2011, the Group paid RMB10.0 million as a deposit for the tendering of a project in Dongguan, PRC to the local government. The Group's tender has been accepted by the local government, but details of the terms of the agreement are still under negotiation and a formal agreement is yet to be entered into. In view of the uncertainty of the project, an allowance has been made in 2011.

12. TRADE AND OTHER PAYABLES

		2012	2011
	Notes	***RMB'000***	*RMB'000*
Trade payables	*(i)*	**400,398**	347,448
Rental payables		**145,194**	102,553
Other taxes payable		**35,292**	53,668
Deferred income		**34,934**	31,665
Accrued wages and salaries		**26,421**	15,650
Amount due to related parties	*(ii)*	**3,170**	2,959
Advances from suppliers	*(iii)*	**5,970**	69,637
Advances received from customers	*(iv)*	**409,259**	413,903
Dividend payable		**70,608**	–
Other payables and accruals		**98,187**	67,098
		1,229,433	1,104,581

(i) An ageing analysis of trade payables of the Group is as follows:

	2012	2011
	RMB'000	*RMB'000*
30 days	**26,399**	120,353
31 – 60 days	**90,767**	94,061
61 – 90 days	**111,326**	39,919
91 – 365 days	**124,905**	63,356
1 year – 2 years	**28,960**	17,090
2 years – 3 years	**17,585**	12,379
Over 3 years	**456**	290
	400,398	347,448

(ii) Amounts due to related parties as at 31 December 2012 are unsecured, interest-free and repayable on demand.

(iii) As of 31 December 2011, advances received by the Group from its suppliers amounted to RMB69.6 million. During 2012, RMB63.6 million out of the amount received was returned to the suppliers.

(iv) The amount mainly represented cash received for prepaid card sold.

13. CAPITAL COMMITMENTS

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

		2012	2011
	Note	***RMB'000***	*RMB'000*
Capital commitments – expenditures of property, plant and equipment			
– Contracted but not provided for	*(i)*	**62,484**	267,434
– Authorised but not contracted for		**–**	221,276
		62,484	488,710

II. MANAGEMENT DISCUSSION AND ANALYSIS

MARKET AND BUSINESS REVIEW

The overall economic growth in the PRC remained sluggish during the second half of 2012. This affected the level of consumption of the average consumers in the PRC. Consumers are more price-conscious and the government policies may not be as effective as they were previously made to promote the growth in the retail sector in the PRC.

With the aim of maintaining its competitiveness in the relatively slow PRC retail market environment, the Group focused on its own niche market and has expanded the department store network into the second- and third-tier cities in Guangdong Province, the PRC. A total of 10 new stores were opened in 2010, 2011 and 2012, with six out of the 10 new stores opening in cities other than Shenzhen.

Similar to the first half of 2012, because of the expansion of the network of the Group's department stores, the administrative expenses and operating cost of the Group as well as the related depreciation and amortization incurred by the Group increased significantly, albeit that the sales generated from the newly opened department stores, particularly the sales from those situated in the second- and third-tier cities in Guangdong Province, the PRC, did not increase at the same pace as anticipated by the Directors. Hence, even though the Group only recorded a slight decrease of 4.3% in its revenue, an operating loss was recorded during the year ended 31 December 2012 since its listing on the Stock Exchange in November 2010.

Despite the fact that the profitability of the Group was under pressure during the year ended 31 December 2012, the Board is confident that the Group's business strategy is appropriate. In addition, during the year, the Directors focused on enhancing and strengthening the internal control measures of the Group for its business development. With the implementation of all the internal control improvement measures and the continuous opening of new department stores in selected second- and third-tier cities in Guangdong Province, the Board believes that the Group is in the right direction for further business development in the future.

Expansion of store network

In January 2012, in order to capture the new business opportunities from consumers in China looking for lifestyle products, the Group established the SMART Lifestyle Specialty Store, a supermarket with GFA of 2,605.7 sq.m. in Shenzhen. The supermarket offers high-end and quality everyday products for the middle-class consumers in Shenzhen. The business operation of SMART is under constant review and refinement in order to provide better services and product offerings to the target customers.

To increase its brand awareness in Dongguan, Guangdong Province, the Group seized the new market opportunity and opened another store in the region. The supermarket section of the Lifestyle Square (地標店) in Dongguan with GFA of 7,371.5 sq.m. was opened in March 2012, while the department store section was opened in December 2012 with GFA of 37,333.0 sq.m..

While expanding outward, the Group also continued its market penetration in Shenzhen by opening the Hongfa Store in August 2012. The Hongfa Store is situated in a five-storey building in Shenzhen with a total GFA of 44,666.9 sq.m., and provides customers with a wide range of quality merchandise and customer-oriented services.

In addition to its expansion in Dongguan, the Group also set its footprint in Shanwei City, Guangdong Province, to align with its business expansion strategy into second- and third-tier cities. The Group opened the Luhe Store in September 2012, with GFA of 14,396.3 sq.m., and the Haifeng Store in November 2012, with GFA of 18,933.4 sq.m. Both stores are situated in acquired properties, and are positioned as one-stop shopping centres providing more complementary facilities than the Group's Shenzhen stores such as cinemas, restaurants and/or children's playground. Although the sales from the newly opened department stores were slow initially (as not all complementary facilities are fully operated), the Directors are confident that the sales generated from these department stores will increase upon the full operation of the department stores.

As of 31 December 2012, the Group had a total of 21 department stores in operation with a total GFA of 364,465.7 sq.m., representing an increase of 52.4% as compared with the GFA of 239,158.9 sq.m. in operation as of 31 December 2011.

Renovating selected existing stores

The Group performed large-scale renovation for two existing department stores located in Shenzhen, namely the Hongling Store and the Jufu Store, for the purpose of increasing brand awareness and enhancing shopping experience for target customers. The renovation included upgrades of the exterior layout and the interior design. All of the renovation for Hongling Store and Jufu Store has been completed.

Strategic alliances

The Group entered into strategic alliances with various business partners engaging in property development in the PRC. Under the agreements, the business partners would give priority to the Group to lease properties for the development of department stores, while the Group would in turn provide support in research, evaluation, positioning, pre-operating projection planning and exterior and interior designs for the department store opening.

Enhancement of the distribution network and logistics system

The Group enhanced its distribution capability and services by leasing a new distribution centre in Shenzhen in April 2012. The distribution centre, together with the upgrade of the information technology logistics module, helps to support the rapid store expansion network and improve the inventory management and control systems of the Group.

BUSINESS OUTLOOK

Looking ahead, the Directors are positive on the continuous economic development in the PRC in 2013. The Directors believe that the PRC government will continue to implement favourable economic policies to sustain the growth in the domestic consumption in the PRC, which could facilitate the continuous growth of the retail sector in the PRC. The Group's future business strategy will also benefit from the rapid urbanisation of developing cities.

Continue expansion into second- to third-tier cities in Guangdong Province

In view of the Group's expansion strategy in the second- and third-tier cities in Guangdong Province, the Group intends to open not less than four department stores in these regions by the end of 2013 to increase the Group's total GFA to not less than 447,745.2 sq.m.

In September 2012, the Group entered into an agreement for the rental of a three-storey building in Meizhou City with GFA of 23,996.0 sq.m. for a new department store. This store, namely the Xingning Store, was opened in January 2013.

In October 2012, the Group entered into the sale and purchase agreement for the purchase of a commercial property (the "**Lufeng Property**") for the development of Lufeng Store. The Lufeng Property will be part of a commercial complex known as 陸城華廷商業廣場 and will consist of (a) a commercial plaza of six-storeys with anticipated GFA of approximately 25,855.8 sq.m. and (b) an outdoor plaza surrounding the commercial complex. The Lufeng Property is expected to be opened in the second half of 2013.

In March 2013, the Group entered into an agreement for the rental of a five-storey high building in Yangxi City with GFA of 33,427.8 sq.m. for the development of a new store which is expected to be opened in second half of 2013.

Upgrade of the information technology system

In December 2012, the Group completed the first stage of the upgrade of its information technology system, including the construction of basic infrastructure, enhancement of accounting and finance modules, logistics functions and the point-of sale management functions. The Group is now undergoing the second stage to fine-tune the system as well as to implement the business intelligence functions. The Directors expect that the overall operational procedures and management efficiency will be improved after full upgrade of the system.

Strengthening of the internal control procedures and recruitment of new management personnel

The Group recruited new experienced management personnel at each operational level starting from December 2011. The Group will continue to recruit new management personnel as part of the improvement measures of the internal control procedures. An additional independent non-executive Director, who has experience in assisting companies in protecting and enhancing enterprise value, was also appointed on 31 January 2013. The Directors believe that the new management team could bring expertise in the relevant areas to support the business development of the Group. In addition, the Group has engaged a reputable accounting firm to conduct review of the internal control measures adopted by the Group and to provide the Board with regular updates on the Group's internal control environment.

III. FINANCIAL REVIEW

Total gross sales proceeds

During the year ended 31 December 2012, the Group's total gross sales proceeds (representing the aggregate of the revenue from direct sales of the Group and the concessionaire sales at the Group's department stores plus reversal of deferred income in respect of long-aged unredeemed prepaid cards) were RMB2,222.9 million, representing a slight decrease of 3.4% from RMB2,302.2 million for the year ended 31 December 2011. The decrease in the total gross sales proceeds was principally due to the decrease in the direct sales and the commission income received from concessionaire sales generated from the existing department stores amid intense competition and overall economic slowdown.

The decrease in the total gross sales proceeds was partly mitigated by the increase in the sales from the five newly opened department stores during the year, namely the SMART Lifestyle Specialty Store and Hongfa Store in Shenzhen, the Lifestyle Square in Dongguan, and the Luhe and Haifeng Stores in Shanwei.

Revenue generated from direct sales of the Group amounted to RMB1,116.0 million and the total sales proceeds from concessionaire sales amounted to RMB1,087.7 million, accounting for 50.2% and 48.9%, respectively, of the Group's total gross sales proceeds for the year ended 31 December 2012. In 2011, revenue from direct sales amounted to RMB1,171.1 million, while the total sales proceeds from concessionaries sales amounted to RMB1,109.8 million, accounted for 50.9% and 48.2% respectively of the Group's total gross sales proceeds.

The following table sets forth the Group's total gross sales proceeds divided by the principal product categories:

	Year ended 31 December			
	2012		2011	
	RMB' million	*%*	*RMB' million*	*%*
Electronics and home appliances	**215.5**	**9.7**	243.6	10.6
Clothes, apparel and bedding	**549.8**	**24.7**	577.5	25.1
Children's goods	**70.5**	**3.2**	65.1	2.8
Sporting and stationery goods	**59.9**	**2.7**	65.2	2.8
Food and beverages	**925.0**	**41.6**	980.1	42.6
Daily necessities and cosmetic goods	**383.0**	**17.2**	349.4	15.2
Income from reversal of long-aged unredeemed pre-paid cards	**19.2**	**0.9**	21.3	0.9
	2,222.9	**100.0**	2,302.2	100.0

Revenue

The Group's revenue amounted to RMB1,372.0 million in 2012, representing a decrease of 4.3% as compared to RMB1,433.6 million in 2011. The decrease was principally due to decrease in the direct sales and the commission generated from the concessionaire sales at the existing department stores amid intense competition and overall economic slowdown. The decrease was partly mitigated by the increase in turnover generated from new department stores opened during the year.

Direct sales decreased by 4.7% from 1,171.1 million in 2011 to RMB1,116.0 million in 2012 , principally due to the decrease in sales in existing stores amid intense competition and overall economic slowdown. Direct sales as a percentage of the Group's total revenue was 81.3% in 2012 as compared to 81.7% in 2011.

Commission from concessionaire sales decreased by 6.7% from RMB198.1 million in 2011 to RMB184.8 million in 2012, mainly due to the increased market competition and the relatively lower commission rate offered in new stores to attract concession counters. The commission rate of concessionaire sales was 17.0% as compared to 17.9% in 2011. Commission from concessionaire sales as a percentage of the Group's total revenue was 13.5% for the year ended 31 December 2012 as compared to 13.8% for the year ended 31 December 2011.

Rental income increased by 20.4% from RMB43.1 million in 2011 to RMB51.9 million in 2012, mainly due to the increased rental area in new stores for complementary facilities. Rental income as a percentage of the Group's total revenue was 3.8% for the year ended 31 December 2012 as compared to 3.0% for the year ended 31 December 2011.

Since 2011, the Group conducts a bi-yearly review of the level of usage of the pre-paid cards to ensure timely recognition of income. The prepaid card balances that have not been used for a prolonged period will be recognized as income after being approved by the chief executive officer. In general, the balances of pre-paid cards can be recognized as income when the pre-paid cards have not been used in an extensive period or when the management considers that the possibility of subsequent use of the pre-paid cards is reasonably low. The management of the Group will conduct analysis based on the historical records of the pre-paid card usage to determine the possibility of its subsequent use and then the balances may be recognized as income or other appropriate accounting treatment may be made accordingly. Income from reversal of long-aged pre-paid cards decreased by 9.9% from RMB21.3 million in 2011 to RMB19.2 million in 2012, mainly due to the fact that some long-aged pre-paid cards balances have been recognized in 2011.

Other operating revenue

Other operating revenue increased by 5.3% from RMB111.2 million in 2011 to RMB117.1 million for the year ended 31 December 2012. As a matter of industry practice, the Group received from suppliers lump sum for promotional and advertising purposes on a regular basis. Under the new government policies, namely 商秩發[2011]485號《清理整頓大型零售企業向供應商違規收費工作方案》, which is applicable to the Group as a "large-scale retail business enterprise", the Group is subject to more stringent measures in receiving payments for certain promotion and advertising services upon its fulfillment for being categorized as large retailers under the policy. Although other operating revenue of the Group was impacted in second half of 2011 and first half of 2012, the Group continued to record a slight increase in 2012 due to the increase in newly opened department stores.

Other loss, net

Other net loss amounted to RMB14.1 million for the year ended 31 December 2012 as compared with other net loss of RMB40.7 million in 2011. Impairment loss of RMB32.0 million was recognized in 2011 as a result of the valuation deficit of an acquired property in Haifeng, and a provision of RMB10.0 million for tendering deposit was also recognized in 2011. Only an impairment loss of RMB10.0 million was recognized in 2012 for a property in Luhe County.

Purchase of and changes in inventories

Purchase of and changes in inventories amounted to RMB959.2 million for the year ended 31 December 2012, representing a slight decrease of 3.9% as compared with RMB998.2 million in 2011, which is consistent with the decrease in revenue from direct sales. As a percentage of revenue from direct sales, purchase of and changes in inventories was 85.9% for the year ended 31 December 2012 as compared with 85.2% in 2011.

Employee benefit expenses

Employee benefit expenses increased by 43.2% to RMB192.3 million for the year ended 31 December 2012 from RMB134.3 million in 2011, primarily due to (i) the increase in monthly salary and social security benefits during the year; (ii) the increase in number of staff as a result of the 5 new stores opened during the year, offset by the restructuring of staff in old stores; and (iii) the recruitment of new management personnel. The new members of the senior management team have extensive experience in the retail business and are expected to make contributions in enhancing the growth of the Group and strengthening the internal controls of the Group.

Depreciation and amortisation

Depreciation increased by 44.2% to RMB57.1 million for the year ended 31 December 2012 from RMB39.6 million in 2011 which was principally attributable to the increase in leasehold improvements and machinery for the new stores and the acquisition of new properties in Haifeng and Luhe County in late 2011 and 2012.

Operating lease rental expenses

Operating lease rental expenses increased by 22.6% to RMB166.4 million for the year ended 31 December 2012 from RMB135.7 million in 2011. The increase was principally attributable to the rental expenses of the new department stores in Dongguan, the SMART Lifestyle Specialty Store and Hongfa Store in Shenzhen, a new distribution centre in Shenzhen and the Shenzhen new headquarter office respectively.

Other operating expenses

Other expenses, which principally comprised of utility expenses, advertising, marketing, promotion and related expenses, other tax expenses, bank charges and maintenance expenses, increased by 45.5% to RMB147.4 million for the year ended 31 December 2012 from RMB101.3 million in 2011. This was primarily due to the increase in number of stores in late 2011 and early 2012.

(Loss)/profit before finance costs and tax

As a result of the reasons mentioned above, the Group's loss before finance costs and tax amounted to RMB47.3 million for the year ended 31 December 2012 as compared with the profit of the Group of RMB 95.0 million in 2011.

Finance income

Finance income increased by 23.4% to RMB27.4 million for the year ended 31 December 2012 from RMB22.2 million in 2011 which was primarily attributable to the higher interest earned from bank deposits.

Finance costs

Finance costs increased by 21.7% to RMB2.8 million for the year ended 31 December 2012 from RMB2.3 million in 2011. The increase was primarily attributable to the full year interest paid for the outstanding bank borrowings in 2012 as compared to the ten months interest incurred in 2011.

Income tax expense

Income tax expense amounted to RMB23.1 million for the year ended 31 December 2012, representing a decrease of 46.8% from RMB43.4 million in 2011. The effective tax rate applicable to the Group for the year ended 31 December 2012 was 25%. In addition, pursuant to the PRC Corporate Income Tax Law, the Group is liable to withholding taxes on dividends distributed by subsidiaries established in China. The applicable tax rate for the Group is 5%.

(Loss)/Profit attributable to equity shareholders of the Company

As a result of the aforementioned, loss attributable to equity shareholders of the Company amounted to RMB45.8 million for the year ended 31 December 2012 from profit of RMB71.6 million in 2011 .

IV. DIVIDENDS

In view of the loss incurred for the year ended 31 December 2012 and the working capital requirements for the business expansion of the Group, the Board does not recommend any final or special dividend for the year ended 31 December 2012 (2011: a final dividend of RMB0.0062 per Share and a special dividend of RMB0.0221 per Share).

V. LIQUIDITY AND FINANCIAL RESOURCES

As of 31 December 2012, the Group's cash and cash equivalents amounted to RMB1,144.0 million, increased by RMB190.7 million from RMB953.3 million as of 31 December 2011. The cash and cash equivalents, which were in Hong Kong dollars and RMB, were deposited with banks in Hong Kong and the PRC as short-term deposits for interest income.

As of 31 December 2012, the Group's bank deposits amounted to RMB617.5 million, decreased by RMB162.7 million from RMB780.2 million as of 31 December 2011. The bank deposit which were in RMB, were deposited with banks in Hong Kong as long-term fixed deposits for interest income, in which RMB387.0 million (31 December 2011: RMB430.2 million) were pledged to bank as restricted bank deposit to secure borrowings.

As of 31 December 2012, the Group's outstanding bank borrowings amounted to RMB243.3 million (31 December 2011: RMB243.2 million). The borrowings are denominated in Hong Kong dollars with average interest rate of 1.005% per annum (31 December 2011: 1.104%). The gearing ratio of the Group expressed as a percentage of interest-bearing bank loans over the total assets was 8.3% as of 31 December 2012. The Group will continue to review its cash flow position and renew the bank borrowings when necessary.

Net current assets and net assets

The net current assets of the Group as of 31 December 2012 were RMB624.5 million (31 December 2011: RMB1,171.6 million), representing a decrease of RMB547.1 million. The net assets of the Group as of 31 December 2012 decreased to RMB1,438.8 million (31 December 2011: RMB1,555.2 million), representing a decrease of 7.5%.

Foreign exchange exposure

The business operations of the Group is primarily in the PRC with most of its transactions settled in RMB. Certain of the Group's cash and bank balances are denominated in Hong Kong dollars and the Company paid dividends in Hong Kong dollars which exposed the Group to foreign exchange risks arising from the exchange of Hong Kong dollars against RMB. For the year ended 31 December 2012, the Group recorded a net foreign exchange loss of RMB0.8 million. The Group has not used any forward contracts, currency borrowings or other means to hedge its foreign currency exposure.

Employees and remuneration policy

As of 31 December 2012, the total number of employees of the Group was 3,100. The Group's remuneration policy is determined with reference to market conditions and the performance, qualifications and experience of individual employees.

Contingent Liabilities

Legal proceedings in the PRC have commenced against the Group by certain suppliers in respect of disputes on contract terms and trademark infringement claim. As at 31 December 2012, the legal proceedings were ongoing. Provision of approximately RMB4,369,000 has been made in the consolidated financial statements for the year ended 31 December 2012, which the Directors believe is adequate to cover the amounts, if any, payable in respect of these claims.

Material Acquisitions and Disposal of Subsidiaries

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

Use of net proceeds

On 17 November 2010, the Shares were listed on the Main Board of the Stock Exchange and the Group raised net proceeds of approximately HKD1,313.4 million (after deducting underwriting fees and related expenses). Up to 31 December 2012, approximately RMB66.7 million out of net proceeds was used for the opening and decoration of Luhe Store, approximately RMB37.2 million was used for the new information technology system, and approximately RMB6.8 million was used for refurnishing old stores in Shenzhen, Guangdong Province, and the Distribution Centre, (2011: RMB 120.3 million).

VI. EXTRACT OF AUDITORS' QUALIFIED OPINION TO BE INCLUDED IN THE AUDITOR'S REPORT

Auditors' qualified opinion

The following is an extract of the Auditors' report on the Group's annual audited consolidated financial statements for the year ended 31 December 2012:–

"Opinion

Basis for qualified opinion

(i) Prepayments

As described in Note 18(b) to the consolidated financial statements, the Group recorded prepayments with a total balance of RMB512,330,000 as at 31 December 2011. The total balance includes (a) prepayments of RMB55.3 million for decoration work, (b) prepayments of RMB256.5 million for the acquisition of a distribution centre in Shenzhen, a three-storey commercial property in Shenzhen and a property in Haifeng, against which there was an allowance for impairment loss of RMB32.0 million in respect of the Haifeng property as at 31 December 2011; and (c) prepayments of RMB152.5 million for the purchase of merchandise.

(ii) Advances from suppliers

Included in "Advances from suppliers" in Note 24 to the consolidated financial statements are amounts received by the Group totaling RMB69.6 million as at 31 December 2011.

The previous firm of auditor was unable to obtain sufficient audit evidence to verify the nature of the above-mentioned prepayments as well as advances from suppliers and as to whether they were properly accounted for and disclosed in the consolidated financial statements as at 31 December 2011 in accordance with the substance of their natures.

As mentioned in Note 18(b) to the consolidated financial statements, during the year ended 31 December 2012, the contracts for decoration work, the letter of intent for the acquisition of the distribution centre in Shenzhen, the contracts for the acquisition of the three-storey commercial property in Shenzhen and the purchase of merchandise were terminated and the Group had received refunds of the prepayments which include (a) refunds of RMB55.3 million for prepayments for decoration work, (b) refunds of RMB172.5 million for prepayments for the acquisition of the distribution centre in Shenzhen and the three-storey commercial property in Shenzhen; and (c) refunds of RMB262.5 million for the prepayments (including additional prepayments of RMB110.0 million made in January 2012) for the purchase of merchandise. As mentioned in Note 24(b) to the consolidated financial statements, during the year ended 31 December 2012, the Group had refunded RMB63.6 million out of the advances from suppliers.

As at the date of this report, there were no alternative audit procedures that we could perform to satisfy ourselves that the aforesaid prepayments as well as advances from suppliers are free from material misstatement as at 1 January 2012 and we have been unable to determine whether any adjustments to these amounts are necessary. Since the aforesaid payment and refund transactions are part of the Group's cash flows in 2012, we have been unable to determine whether any adjustments are necessary in respect of the cash flows from investing activities and cash flows from operating activities reported in the consolidated statement of cash flows for the year ended 31 December 2012.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance."

VII. AUDIT COMMITTEE

As of the date of this announcement, the Audit Committee comprises of four Independent non-executive Directors, namely, Ms. ZHAO Jinlin (chairman), Mr. CHEN Fengliang, Mr. JIANG Hongkai and Mr. FOK Hei Yu. The Audit Committee has been established to review the financial reporting process and evaluate the effectiveness of internal control procedures of the Group. During the year, the Audit Committee has held regular meetings with management, external auditors and internal control consultant to discuss on the auditing, internal controls and financial reporting matters of the Company, and to review on the Group's internal control and annual results for the year ended 31 December 2012.

In view of the qualified opinion issued by KPMG, the former auditor of the Group in 2011, and the internal control weakness indentified last year, the Audit Committee has appointed Moore Stephens to advise on the Group's internal control improvement measures. Accordingly, the Group has implemented the following internal control procedures: (i) establishment of internal audit department and legal department; (ii) appointment of additional independent non-executive Director; (iii) recruitment of new management teams and chief executive officer and executive Director; (iv) standardisation of transaction approval procedures; (v) standardisation of property transaction procedures; (vi) establishment of formal tendering procedures; (vii) establishment of cash management policy; (viii) establishment of prepayment approval procedures and enhancement of payment approval procedures; (ix) update of enterprise resources management system; (x) possible notifiable transactions approval procedures; (xi) appointment of retainer financial advisers; and (xii) continuous training provided to Directors. The Audit Committee agrees that the internal control procedures have been improved since the Group implemented all the improvement measures recommended in full in response to the internal control weaknesses identified as detailed in the Moore Stephens report during the course of the audit for the year ended 31 December 2011.

In January 2013, the Group appointed a reputable accounting firm to conduct a review on the Group's internal control and to report its findings to the Audit Committee. The Audit Committee is satisfied that there is an ongoing process in place for identifying, evaluating and managing the significant risks faced by the Group and believes that in order to manage the risk of failure in achieving the Company's goals and objectives to an ultimate extent, the Group should continuously enhance its internal control system. The Audit Committee also reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting functions, as well as training programs and budget. The Audit Committee believes that in view of the rapid expansion plan of the Group, the Group should continue to monitor its resources in the accounting and financial reporting functions, and to increase its resources for staff recruitment and training when necessary.

VIII. CODE ON CORPORATE GOVERNANCE PRACTICES

Corporate governance practices

The Company is committed to achieving and maintaining high standards of corporate governance. The Company has applied the principles and code provisions set out in the Code on Corporate Governance Practice (the "**Old Code**") (effective until 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) (the "**CG Code**") contained in Appendix 14 to the Listing Rules. The Company has, throughout the year ended 31 December 2012, complied with the code provisions of the Old Code and the CG Code as and when they were/are applicable and in force, except for the deviations from Old Code Provision A.2.1.

In accordance with the Old Code Provision A.2.1 of Appendix 14 to the Listing Rules, the roles of the Chairman and the Chief Executive Officer should be separate and should not be performed by the same individual. Mr. YANG Xiangbo, Chairman of the Board, was the acting Chief Executive Officer during the period from 17 November 2011 to 30 December 2012. In the opinion of the Directors, save and except for the combination of the roles of Chairman and Chief Executive Officer which was performed by the same individual, Mr. YANG Xiangbo, during the period from 17 November 2011 to 30 December 2012, the Company complied with the Old Code and the CG Code for the year ended 31 December 2012. The Group appointed Mr. LI KuanSen as the executive Director and Chief Executive Officer on 31 December 2012, the roles of the Chairman and the Chief Executive Officer have been separated since then.

The Board and the Audit Committee reviewed the Group's material controls, including financial, operational and compliance controls and risk management functions. The Board also assessed the adequacy of resources, qualifications and experience of the staff of the Company's accounting and financial reporting function, and their training programs and budget. In January 2013, the Group appointed a reputable accounting firm to conduct a review on the Group's internal control and to report its findings to the Audit Committee and the Board. The enhancement of the internal controls measures will continue to be monitored by the internal audit department and the new Chief Executive Officer of the Group. The internal audit department will periodically report their review and findings on the Group's internal controls to the Audit Committee and the Board.

IX. PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2012. (2011: Repurchased 5,000,000 Shares on the Stock Exchange at an aggregate purchase price of HK$5.1 million (equivalent to RMB4.2 million)).

X. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding the Directors' securities transactions. Having made specific enquiries of all the Directors, the Company confirmed that they have complied with the Model Code during the year ended 31 December 2012.

XI. PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement has been published on the websites of Stock Exchange and the Company. The 2012 Annual Report containing all the information required by Appendix 16 to the Listing Rules will be despatched to Shareholders and published on the websites of the Stock Exchange and the Company in due course.

XII. RESUMEPTION OF TRADING OF SHARES

At the request of the Company, trading of the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 April 2013 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 25 April 2013.

XIII. DEFINITIONS USED IN THIS ANNOUNCEMENT

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

"2012 Annual Report"	the annual report of the Group for the year ended 31 December 2012 which is expected to be despatched by the Group which contains all the information required by Appendix 16 to the Listing Rules and other applicable laws and regulations;
"Audit Committee"	the audit committee of the Board as of the date of this announcement, the members of which include all independent non-executive Directors, namely Ms. ZHAO Jinlin, Mr. CHEN Fengliang, Mr. JIANG Hongkai and Mr. FOK Hei Yu;
"Auditors"	the auditors of the Company, PricewaterhouseCoopers;
"Board"	the board of directors of the Company, which consists of one executive Director and four independent non-executive Directors;
"Company"	Shirble Department Store Holdings (China) Limited (歲寶百貨控股(中國)有限公司), with the Shares listed on Stock Exchange (stock code: 00312);
"Directors"	the directors of the Company (including the independent non-executive Directors who are the members of the Audit Committee);
"GFA"	gross floor area;
"Group"	the Company and its subsidiaries;
"Hongfa Store"	a department store of the Group opened in Shenzhen, the PRC;
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC;

"Listing"	the listing of the Shares on the main board of the Stock Exchange since November 2010;
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Luhe Store"	a department store of the Group opened in Luhe, the PRC;
"Moore Stephens"	Moore Stephens Hong Kong, a firm of practising accountants in Hong Kong engaged by the Audit Committee for the purpose of reviewing and investigating certain transactions and making recommendations to the Audit Committee on the Group's internal control procedures;
"PRC"	The People's Republic of China which does not include, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan;
"RMB"	Renminbi yuan, the lawful currency of the PRC;
"Shanwei Shirble"	Shanwei Shirble Department Store Limited Liability Company (汕尾歲寶百貨有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company;
"Share(s)"	the ordinary share(s) of the Company with a par value of HK$0.1;
"Shareholder(s)"	holders of the Share(s);
"Shirble Chain Store"	Shirble Chain Store Limited Liability Company (深圳歲寶連鎖商業發展有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company;
"Shirble Department Store (Shenzhen)"	Shenzhen Shirble Department Store Co., Ltd. (深圳歲寶百貨有限公司), a company established in the PRC and a wholly-ownedsubsidiary of the Company; and

“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 24 April 2013

As at the date of this announcement, the Board comprises Mr. YANG Xiangbo(Chairman) and Mr. LI KuanSen (Chief Executive Officer) as the executive Directors and Ms. ZHAO Jinlin, Mr. CHEN Fengliang, Mr. JIANG Hongkai and Mr. Fok Hei Yu as the independent non-executive Directors.