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: 312

INTERIM REPORT 2013

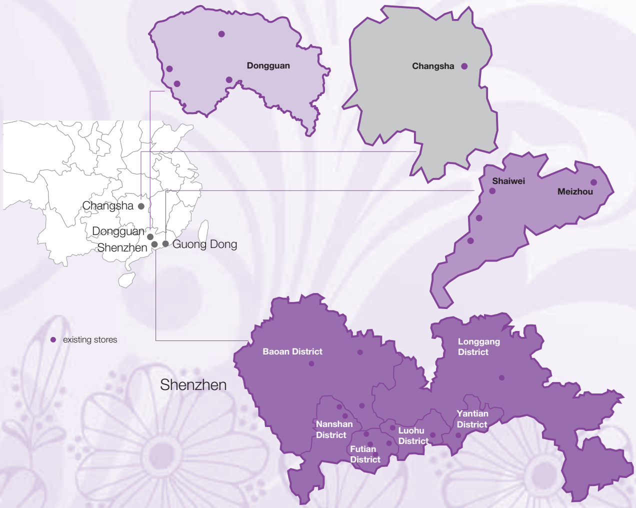
Contents

CORPORATE PROFILE

Shirble Department Store Holdings (China) Limited (the "**Company**") was incorporated in the Cayman Islands with limited liability on 5 November 2008. The Company and its subsidiaries (collectively, the "**Group**") are principally engaged in the operation of department stores in the People's Republic of China (the "**PRC**").

The Group is one of the long established Shenzhen-based department store chains. As of 30 June 2013, the Group owned and operated 22 department stores, 13 of which are within Shenzhen, four in Dongguan, three in Shanwei (a coastal city in the eastern Guangdong Province), one in Meizhou City (Guangdong Province) and one in Changsha (the capital city of Hunan Province), with a total gross floor area ("**GFA**") of 388,461.7 sq. m. Most of the Group's stores have similar exterior and interior designs including layouts, colour schemes and the overall decoration for the purpose of enhancing customers' awareness of the brand "歲寶百貨".

A broad range of merchandise is offered in the Group's department stores, including footwear, textiles, apparel, cosmetics, children's and households' goods, electrical appliances, daily consumer products and household necessities, which enables the Group to capture a diverse range of customers. The Group's department stores principally target the mid-market segment, aiming to offer its customers with quality merchandise and customer-oriented services, as well as a convenient and comfortable "one-stop" shopping environment. This market position enables the Group to capture high growth potential in the PRC retail sector.



FINANCIAL HIGHLIGHTS

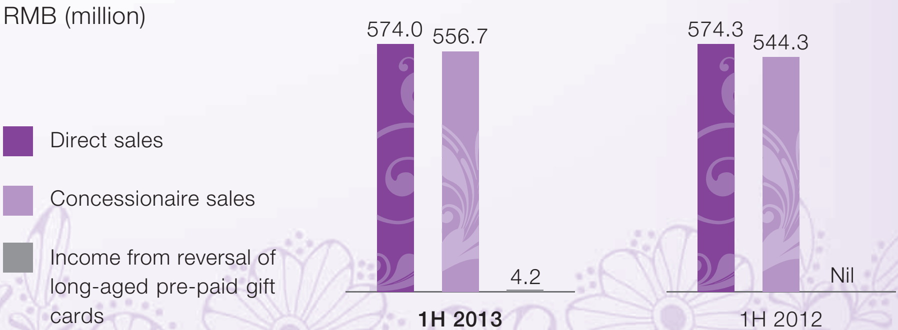
OPERATING RESULTS

	For the six months ended 30 June 2013 RMB'000 (unaudited)	2012 RMB'000 (unaudited)
Revenue	696,730	687,083
Operating loss	(79,313)	(15,463)
Loss before income tax	(66,700)	(4,041)
Loss attributable to owners of the Company	(76,559)	(13,839)
Loss per share (expressed in RMB per share)		
– Basic and diluted	(0.03)	(0.01)

ASSETS, LIABILITIES AND EQUITY

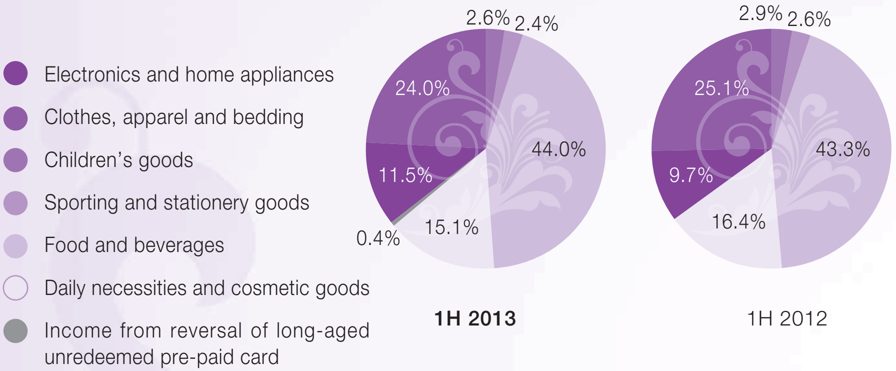
	At 30 June 2013 RMB'000 (unaudited)	At 31 December 2012 RMB'000 (audited)	At 30 June 2012 RMB'000 (unaudited)
Total assets	2,583,993	2,940,617	2,829,180
Total liabilities	1,221,645	1,501,831	1,287,881
Total equity	1,362,348	1,438,786	1,541,299

GROSS SALES PROCEEDS – BY CATEGORY



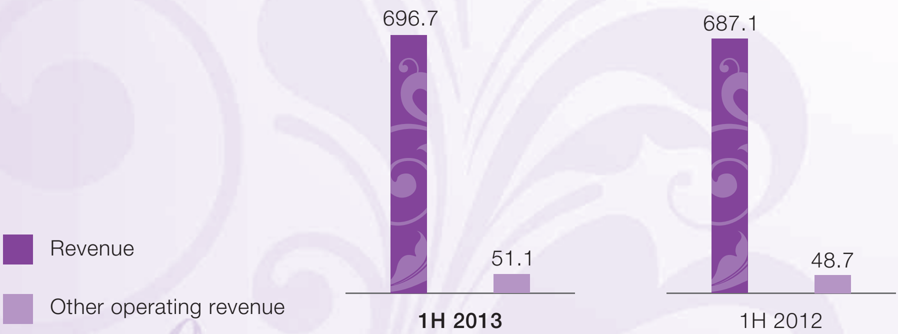
FINANCIAL HIGHLIGHTS

GROSS SALES PROCEEDS – BY PRODUCT CATEGORY



REVENUE AND OTHER OPERATING REVENUE

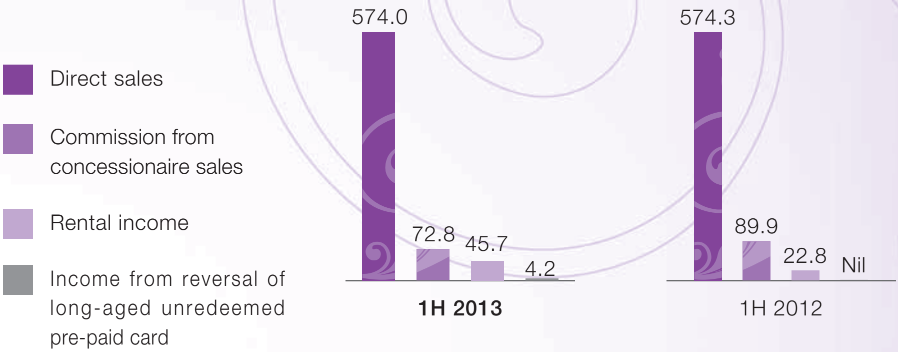
RMB (million)



FINANCIAL HIGHLIGHTS

REVENUE BY CATEGORY

RMB (million)



GROSS PROFIT AND MARGIN OF DIRECT SALES

RMB (million)

CONCESSIONAIRE SALES AND COMMISSIONS AS A PERCENTAGE OF CONCESSIONAIRE SALES

RMB (million)

Chairman's Statement

Market Review

With the first half of 2013 behind us, it is clear that economic growth in the PRC has continued to be restrained. This follows modest GDP expansion of 7.5% year-on-year for the second quarter of 2013, slipping from 7.9% for the final three months of 2012. In light of the economic slowdown, the consumption sentiment of general public has become more cautious, and this has led to a slow growth in the local retail market in the PRC. Competition among the industry players remained keen, and the Group cannot avoid the adverse consequence as one of the key players in the industry.

Business Review

Store network expansion

In view of the slowing down of economic growth with intensified competition in the industry, the first half of 2013 was a difficult period for the Group. The Group's priority remains in maintaining its leading presence in Shenzhen while strategically expanding its reach. To align with its business expansion strategy into second and third tier cities, the Group opened the Xingning Store with GFA of 23,996.0 sq.m. in Meizhou City, Guangdong Province, the PRC, in January 2013. Nevertheless, given the profitabilities and performance in different regions (especially new markets), the senior management of the Group is constantly reassessing the market potential of these markets and closely monitoring new stores' performance in order to shorten their start-up stage. The Group's store opening plan has also slowed down.

As of 30 June 2013, the Group operated a total of 22 department stores, 13 of which are within Shenzhen, four in Dongguan, three in Shanwei, one in Meizhou and one in Changsha. These 22 stores amount to a total GFA of 388,461.7 sq.m., which represents a 6.6% increase from the GFA of 364,465.7 sq.m. in operation as of 31 December 2012.

Strategic alliances

Although a more cautious store opening approach has been adopted, the Group has entered into strategic alliances with various business partners engaging in property development in the PRC as a means to create a healthy store pipeline. Under the agreements entered into between the Group and these business

Chairman's Statement

partners, the Group would have first right to lease properties for the operation of department stores, and the Group would provide support in research, evaluation, positioning, pre-operating projection planning and exterior and interior designs for operating the department stores.

Enhancement of the distribution network and upgrade of the information technology system

With the implementation and continued enhancement of the Group's information and technology system, increasing functions including financial analysis modules, logistics and point-of-sale (POS) management operations were added.

Complied with the full operation of the new distribution centre opened in April 2012, the Group's overall operation and management efficiency has been improved, which has contributed to the expanded network of the Group.

Business outlook

Despite a general slowdown in the economy, the Directors remain cautiously optimistic on the retail market of the PRC. It is believed that the PRC central government will continue to implement favourable economic policies to stimulate domestic consumption, which will help to stabilise development of the retail sector. Hence, the Group will continue its twofold strategy, which involves further enhancement of the market presence in Shenzhen and exploration of the opportunities in second and third-tier cities in Guangdong Province that have been benefited from rapid urbanisation.

In the first half of 2013, the Group entered into agreements for the rental of (i) a five-storey building in Yangxi City with GFA of 33,427.8 sq.m. in March 2013; (ii) a three-storey building in Shenzhen with GFA of 8,817.0 sq.m. in May 2013 and (iii) a five-storey building in Shenzhen with GFA of 28,000.0 sq.m. in May 2013. Amidst the uncertainties lying ahead, these stores will be opened in late 2013 or later years depending on market sentiment.

In addition, the Group is also reviewing product and business composition, such as increasing the portion of direct sales in fresh food sector to enhance product variety and implementing the exchange for product couponing system to improve pedestrian flow.

CHAIRMAN'S STATEMENT

CONCLUSION

On behalf of the board of Directors, I would like to take this opportunity to express my sincere gratitude to the management team and the entire Shirble workforce for their dedication and tireless efforts. Certainly, all of the Group's partners and customers must also be lauded for their unwavering support. I wish to further thank all of the shareholders and investors of the Company for their confidence in the Group. We are confident that Shirble will continue to achieve steady progress and deliver fair value to all of its shareholders.

YANG Xiangbo

Chairman

26 August 2013

Management Discussion and Analysis

Financial Review

Total Gross Sales Proceeds

During the six months ended 30 June 2013, the Group's total gross sales proceeds (representing the aggregate of the revenue from direct sales of the Group and total sales proceeds from concessionaire sales at the Group's department stores plus the reversal of deferred income in respect of long-aged unredeemed prepaid cards) were RMB1,134.9 million, representing a slight increase of 1.5% from RMB1,118.6 million in the same period of 2012. The slight increase was principally due to the recognition of the deferred income in respect of the long-aged unredeemed pre-paid gift cards for the six months ended 30 June 2013 where no such amount was recognized for the same period in 2012.

Revenue generated from direct sales of the Group amounted to RMB574.0 million and the total sales proceeds from concessionaire sales amounted to RMB556.7 million, accounting for 50.6% and 49.1%, respectively, of the Group's total gross sales proceeds for the six months ended 30 June 2013. For the same period in 2012, revenue from direct sales amounted to RMB574.3 million, while the total sales proceeds from concessionaries sales amounted to RMB544.3 million, accounted for 51.3% and 48.7% respectively of the Group's total gross sales proceeds. The decrease was principally attributable to the decrease in direct sales and concessionaire sales generated from existing department stores amid intense competition and overall economic slowdown.

MANAGEMENT DISCUSSION AND ANALYSIS

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

	For the six months ended 30 June			
	2013		2012	
	RMB' million (unaudited)	***(%)***	RMB' million (unaudited)	*(%)*
Electronics and home appliances	130.7	11.5	108.5	9.7
Clothes, apparel and bedding	272.6	24.0	280.9	25.1
Children's goods	29.1	2.6	32.1	2.9
Sporting and stationery goods	27.8	2.4	29.2	2.6
Food and beverages	499.5	44.0	484.3	43.3
Daily necessities and cosmetic goods	171.0	15.1	183.6	16.4
Income from reversal of long-aged pre-paid gift cards	4.2	0.4	–	–
	1,134.9	100.0	1,118.6	100.0

Revenue

The Group's revenue amounted to RMB696.7 million for the six months ended 30 June 2013, representing a slight increase of 1.4% as compared to RMB687.1 million in the same period of 2012. The slight increase was principally due to the increase in rental income from new department stores opened in the second half of 2012 and early 2013, with strategy to increase sublease area, as well as the recognition of income from reversal of long-aged pre-paid cards during the six months ended 30 June 2013. No such amount was recognised for the same period in 2012. The increase was offset by the decrease in the commission generated from the concessionaire sales and direct sales at the existing department stores amid intense competition and overall economic slowdown.

MANAGEMENT DISCUSSION AND ANALYSIS

Direct sales remained stable at RMB574.0 million for the six months ended 30 June 2013 from RMB574.3 million in the same period of 2012, principally due to the decrease in sales in existing stores amid intense competition and overall economic slowdown, mitigated by the increase in direct sales from new stores. Direct sales as a percentage of the Group's total revenue was 82.4% for the six months ended 30 June 2013 as compared to 83.6% in the same period of 2012.

Commission from concessionaire sales decreased by 19.0% to RMB72.8 million for the six months ended 30 June 2013 from RMB89.9 million in the same period of 2012, resulting from more advertising and promotion campaigns mainly due to the intense market competition in Shenzhen, and the relatively lower commission rate offered in new stores to attract concession counters. The commission rate of concessionaire sales was 13.1% as compared to 16.5% in the same period of 2012. Commission from concessionaire sales as a percentage of the Group's total revenue was 10.5% for the six months ended 30 June 2013 as compared to 13.1% in the same period of 2012.

Rental income increased substantially by 100.4% to RMB45.7 million for the six months ended 30 June 2013 from RMB22.8 million in the same period of 2012, mainly due to the increase in sublease area at new stores for complementary facilities. Rental income as a percentage of the Group's total revenue was 6.6% for the six months ended 30 June 2013 as compared to 3.3% in the same period of 2012.

Other operating revenue

Other operating revenue increased by 4.9% to RMB51.1 million for the six months ended 30 June 2013 from RMB48.7 million in the same period of 2012, mainly due to the contribution from the new department stores opened in the second half of 2012 and early 2013.

Other loss, net

Other net loss amounted to RMB28.0 million for the six months ended 30 June 2013 as compared with other net loss of RMB10.4 million in the same period of 2012. The impairment loss and related expenses of RMB28.2 million was recognized in the first half of 2013 as a result of the reduction in store area in selected department stores in Dongguan, Guangdong Province, the PRC, as part of the latest re-assessment by the Group of the market potential in the area. Other net loss of RMB10.4 million was recognized in the same period of 2012 mainly for the impairment loss of a property in Luhe County.

Management Discussion and Analysis

Purchase of and changes in inventories

Purchase of and changes in inventories amounted to RMB506.2 million for the six months ended 30 June 2013, representing a slight increase of 3.7% as compared with RMB488.3 million in the same period of 2012, primarily due to the new stores opened in the second half of 2012 and early 2013. As a percentage of revenue from direct sales, purchase of and changes in inventories was 88.2% for the six months ended 30 June 2013 as compared with 85.0% in the same period of 2012 as the profit margin of direct sales for new stores are comparatively lower in their start up stage.

Employee benefit

Employee benefit increased by 12.3% to RMB98.0 million for the six months ended 30 June 2013 from RMB87.3 million in the same period of 2012, primarily due to the increase in monthly salary and social security benefits during the period and the increase in headcounts for the five new stores opened in the second half of 2012 and early 2013, offset by the restructuring of staff composition in old stores.

Depreciation and amortisation

Depreciation and amortisation increased by 73.7% to RMB42.9 million for the six months ended 30 June 2013 from RMB24.7 million in the same period of 2012 which was principally attributable to the launch of the information technology system, 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 13.7% to RMB92.1 million for the six months ended 30 June 2013 from RMB81.0 million in the same period of 2012. The increase was principally attributable to the rental expenses of a new distribution centre in Shenzhen and the new department stores, namely the Hongfa Store in Shenzhen and Xingning Store in Meizhou 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, remained relatively constant as compared to RMB59.8 million for the six months ended 30 June 2013 from RMB59.5 million in the same period of 2012.

Management Discussion and Analysis

Operating loss

As a result of the reasons mentioned above, the Group's operating loss amounted to RMB79.3 million for the six months ended 30 June 2013 as compared with the operating loss of the Group of RMB15.5 million in the same period of 2012.

Finance income

Finance income increased by 7.1% to RMB13.6 million for the six months ended 30 June 2013 from RMB12.7 million in the same period of 2012 which was primarily attributable to the higher interest income earned from bank deposits.

Finance costs

Finance costs decreased by 16.7% to RMB1.0 million for the six months ended 30 June 2013 from RMB1.2 million in the same period of 2012 which was primarily attributable to the decrease in borrowing principal as a result of the favourable change in exchange rate.

Income tax expense

Income tax expense amounted to RMB9.9 million for the six months ended 30 June 2013, representing a slight increase of 1.0% from RMB9.8 million in the same period of 2012. The effective tax rate applicable to the Group for the six months ended 30 June 2013 was 25.0%. 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 attributable to equity shareholders of the Company

As a result of the aforementioned, loss attributable to equity shareholders of the Company amounted to RMB76.6 million for the six months ended 30 June 2013 as compare with the loss of RMB13.8 million in the same period of 2012.

Liquidity and Financial Resources

As of 30 June 2013, the Group's cash and cash equivalents amounted to RMB634.5 million, decreased by RMB509.5 million from RMB1,144.0 million as of 31 December 2012. The cash and cash equivalents, which were in Hong Kong dollars and Renminbi, were deposited with banks in Hong Kong and the PRC as short-term deposits for interest income.

Management Discussion and Analysis

As of 30 June 2013, the Group's bank deposits amounted to RMB832.7 million, increased by RMB215.2 from RMB617.5 million as of 31 December 2012. The bank deposit which were in RMB, were deposited with banks in Hong Kong as long-term fixed deposits for interest income, in which RMB387.2 million (31 December 2012: RMB387.0 million) were pledged to bank as restricted bank deposit to secure borrowings.

As of 30 June 2013, the Group's outstanding bank borrowings amounted to RMB239.0 million (31 December 2012: RMB243.3 million). The borrowings are denominated in Hong Kong dollars with average interest rate of 0.881% per annum (31 December 2012: 1.005%). The gearing ratio of the Group expressed as a percentage of interest-bearing bank loans over the total assets was 9.2% as of 30 June 2013. 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 30 June 2013 were RMB581.9 million (31 December 2012: RMB624.5 million), representing a decrease of RMB42.6 million. The net assets of the Group as of 30 June 2013 decreased to RMB1,362.3 million (31 December 2012: RMB1,438.8 million), representing a decrease of 5.3%.

Foreign exchange exposure

The business operations of the Group is primarily in the PRC with most of its transactions settled in Renminbi. 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 six months ended 30 June 2013, the Group recorded a net foreign exchange loss of RMB3.3 million (six months ended 30 June 2012: net foreign exchange loss of RMB1.6 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 30 June 2013, the total number of employees of the Group was 2,428. The Group's remuneration policy is determined with reference to market conditions and the performance, qualifications and experience of individual employees.

Management Discussion and Analysis

Contingent liabilities

As at 30 June 2013, the Group did not have any significant contingent liabilities.

Material Acquisitions and Disposal of Subsidiaries

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

Use of net proceeds

On 17 November 2010, the Shares were listed on the main board of the Hong Kong Stock Exchange and the Group raised net proceeds of approximately HKD1,313.4 million (after deducting underwriting fees and related expenses). During the six months ended 30 June 2013, approximately RMB27.6 million out of net proceeds was used for the opening and decoration of Xingning Store. Up to 30 June 2013, the Group had utilised RMB258.6 million of the net proceeds and such utilization was made in accordance with the proposed allocation set out in the prospectus of the Company dated 25 June 2010.

INDEPENDENT REVIEW REPORT

Report on Review of Interim financial Information
To the Board of Directors of Shirble Department Store Holdings (China) Limited
(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 18 to 42, which comprises the interim condensed consolidated balance sheet of Shirble Department Store Holdings (China) Limited (the "**Company**") and its subsidiaries (together, the "**Group**") as at 30 June 2013 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 Interim Financial Reporting. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Review Report

Basis of Qualified Conclusion

The interim financial information of the Group for the six-month period ended 30 June 2012 was reviewed by another firm of auditors whose report dated 29 January 2013 expressed a qualified conclusion.

The previous firm of auditors was unable to obtain sufficient audit evidence to verify the nature of certain 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 nature. The aforesaid prepayments as well as advances from suppliers had been refunded and were part of the Group's cash flows for the six-month period ended 30 June 2012. The previous firm of auditors had been unable to determine whether any adjustments were necessary in respect of the cash flows from investing activities and cash flows from operating activities reported in the interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2012.

Our conclusion on the current period's interim financial information is modified because of the possible effects of the above-mentioned matter on the comparability of the current period's figures and the corresponding figures in the interim condensed consolidated statement of cash flows.

Qualified Conclusion

Except for the possible effects of the matter on the comparability, as described in the Basis of Qualified Conclusion paragraphs, based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 August 2013

INTERIM CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2013

(Expressed in Renminbi)

	Note	Unaudited Six months ended 30 June 2013 RMB'000	2012 RMB'000
Revenue	7	696,730	687,083
Other operating revenue	8	51,065	48,728
Other loss, net	9	(28,009)	(10,394)
Purchase of and changes in inventories	10	(506,214)	(488,278)
Employee benefits	10	(98,029)	(87,328)
Depreciation and amortisation	10	(42,894)	(24,739)
Operating lease rental expenses	10	(92,119)	(81,027)
Other operating expenses, net	10	(59,843)	(59,508)
Operating loss		(79,313)	(15,463)
Finance income		13,563	12,654
Finance costs		(950)	(1,232)
Finance income – net		12,613	11,422
Loss before income tax		(66,700)	(4,041)
Income tax expenses	11	(9,859)	(9,798)
Loss for the period		(76,559)	(13,839)
Loss attributable to:			
Owners of the Company		(76,559)	(13,839)
Loss per share for the loss attributable to owners of the Company during the period (expressed in RMB per share)			
– Basic and diluted	13	(0.03)	(0.01)
Dividends	12	–	–

The notes on pages 24 to 42 are an integral part of these consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

(Expressed in Renminbi)

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Loss for the period	(76,559)	(13,839)
Other comprehensive income:		
Item that may be reclassified to profit or loss		
Currency translation differences	121	(31)
Other comprehensive income for the period	121	(31)
Total comprehensive loss for the period	(76,438)	(13,870)
Attributable to:		
Owners of the Company	(76,438)	(13,870)

The notes on pages 24 to 42 are an integral part of these consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEET

As at 30 June 2013

(Expressed in Renminbi)

	Note	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	540,118	565,183
Intangible assets	14	50,468	52,273
Deferred income tax assets		48,298	48,102
Trade and other receivables	15	147,280	152,712
		786,164	818,270
Current assets			
Inventories		220,812	252,722
Trade and other receivables	15	109,768	108,075
Bank deposits	16	832,725	617,540
Cash and cash equivalents	16	634,524	1,144,010
		1,797,829	2,122,347
Total assets		2,583,993	2,940,617
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	17	213,908	213,908
Share premium	17	894,338	894,338
Other reserves		195,129	195,008
Retained profits		58,973	135,532
Total equity		1,362,348	1,438,786
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		5,750	4,000
Current liabilities			
Trade and other payables	18	953,544	1,229,433
Income tax payable		23,386	25,143
Borrowings	19	238,965	243,255
		1,215,895	1,497,831
Total liabilities		1,221,645	1,501,831

Interim Consolidated Balance Sheet

As at 30 June 2013

(Expressed in Renminbi)

	Note	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
Total equity and liabilities		2,583,993	2,940,617
Net current assets		581,934	624,516
Total assets less current liabilities		1,368,098	1,442,786

On behalf of Board of Directors

YANG Xiangbo
Director

LI Kuansen
Director

The notes on pages 24 to 42 are an integral part of these consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013

(Expressed in Renminbi)

	Unaudited Attributable to owners of the Company				
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total equity RMB'000
Balance at 1 January 2013	213,908	894,338	195,008	135,532	1,438,786
Comprehensive income					
Loss for the period	–	–	–	76,559	76,559
Other comprehensive income					
Currency translation differences	–	–	121	–	121
Balance at 30 June 2013	213,908	894,338	195,129	58,973	1,362,348
Balance at 1 January 2012	213,908	894,338	190,004	256,919	1,555,169
Comprehensive income					
Loss for the period	–	–	–	(13,839)	(13,839)
Other comprehensive income					
Currency translation differences	–	–	(31)	–	(31)
Balance at 30 June 2012	213,908	894,338	189,973	243,080	1,541,299

The notes on pages 24 to 42 are an integral part of these consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2013
(Expressed in Renminbi)

	Note	Unaudited Six months ended 30 June 2013 RMB'000	2012 RMB'000
Cash flows from operating activities			
Cash generated from operations		(194,558)	140,053
Income tax paid		(9,596)	(25,897)
Net cash (used in)/generated from operating activities		(204,154)	114,156
Net cash (used in)/generated from in investing activities		(234,463)	141,249
Net cash (used in)/generated from in financing activities		(70,869)	1,313
Net (decrease)/increase in cash and cash equivalents		(509,486)	256,718
Cash and cash equivalents at 1 January		1,144,010	1,303,303
Cash and cash equivalents at 30 June	16	634,524	1,560,021

The notes on pages 24 to 42 are an integral part of these consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

1. GENERAL INFORMATION

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

The Company is principally engaged in investment holding. The principal activities of the Company and its subsidiaries (together, the "Group") are to operate in department stores in Mainland China.

In preparation for the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing"), certain reorganisation steps (the "Reorganisation") were carried out. After the completion of the Reorganisation, the Company became the holding company of the subsidiaries comprising the Group. The Company's shares were listed on the main board of The Stock Exchange of Hong Kong Limited on 17 November 2010.

The condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated.

The condensed consolidated interim financial information has been approved for issue by the board of directors on 26 August 2013.

2. BASIS OF PREPARATION

This interim financial information for the six months ended 30 June 2013 has been prepared in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting'. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with IFRS.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2012, as described in those annual financial statements.

(i) Change in accounting policy

In previous years, cost of inventories of the Group was determined using the first-in first-out method. On 1 January 2013, the Group, after reassessment of the inventory turnover pattern of the Group, decided to change the inventory costing method to weighted average method. The directors of the Group considered that the change of accounting policy can provide reliable and more relevant financial information.

The directors of the Company had assessed, and concluded that, the impact of the changes in the accounting policy on the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2012 and the consolidated balance sheet as at 31 December 2012, shown as comparatives, is not significant. As a result, no retrospective restatement was made to the comparative financial statements and the change in such accounting policy has been applied prospectively.

(ii) Effective of new and amended standards and interpretations

The following new and amended standards and interpretations are mandatory and relevant to the Group for the first time for the financial year beginning 1 January 2013. The effective of these new and amended and interpretations did not have significant impact to the Group's financial statement.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

3. ACCOUNTING POLICIES (CONTINUED)

(ii) Effective of new and amended standards and interpretations (continued)

- Amendment to IAS 1, 'Financial statements presentation'
- IFRS 10 'Consolidated financial statements'
- IAS 27 (revised 2011) 'Separate financial statements'
- IFRS 11 'Joint arrangements'
- IAS 28 (revised 2011) 'Associates and joint ventures'
- IFRS 12 'Disclosures of interests in other entities'
- IFRS 13 'Fair value measurement'
- Amendment to IFRS 7, 'Financial instruments: Disclosures-Offsetting financial assets and financial liabilities'.
- Amendment to IAS 34,"Interim financial reporting".

4. ESTIMATES

The preparation of the condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012.

Notes to the Condensed Consolidated Interim Financial Information

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

5. Financial Risk Management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2012.

There were no significant changes to risk management policies during the six months ended 30 June 2013.

5.2 Liquidity risk

Compared to those of 31 December 2012, there was no material change in the contractual undiscounted cash out flows for financial liabilities as at 30 June 2013.

5.3 Fair value estimation

As at 30 June 2013, the Group did not have significant financial instruments carried at fair value.

6. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

The information reported to the chief operating decision-maker for the purpose of resource allocation and assessment of performance, is prepared based on the overall operation of department stores in the PRC, which is the only operating and reporting segment of the Group.

Notes to the Condensed Consolidated Interim Financial Information

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

6. Segment Information (continued)

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. All revenues from external customers during the year are generated in the PRC and all significant operating assets of the Group are located in PRC.

7. Revenue

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Direct sales	574,013	574,345
Commission from concessionaire sales	72,829	89,905
Rental income (a)	45,690	22,833
Income from reversal of long-aged unredeemed prepaid cards	4,198	–
	696,730	687,083

(a) The rental income from the leasing of shop premises is analyzed as follows:

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Sublease rental income	32,490	19,593
Contingent rental income	13,200	3,240
	45,690	22,833

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

8. OTHER OPERATING REVENUE

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Promotion, administration and management income	47,676	37,041
Credit card handling fees for concessionaire sales	1,735	11,508
Others	1,654	179
	51,065	48,728

9. OTHER LOSS, NET

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Loss on disposal of property, plant and equipment	(17)	(38)
Impairment loss for property, plant and equipment (a)	(20,500)	(10,000)
Provision for penalty charge (a)	(7,735)	–
Others	243	(356)
	(28,009)	(10,394)

(a) The amount represented the impairment loss for property, plant and equipment and provision for related expenses as a result of the reduction in store area of department stores located in Dongguan, Guangdong Province.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

10. EXPENSES BY NATURE

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

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Purchase of and changes in inventories	506,214	488,278
Employee benefit expenses	98,029	87,328
Depreciation and amortisation expenses (Note 14)	42,894	24,739
Operating rental expenses	92,119	81,027
Auditor's remuneration	1,076	3,768
Other expenses	58,767	55,740
	799,099	740,880

11. INCOME TAX EXPENSES

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Current income tax		
PRC corporate income tax	10,055	11,594
Deferred income tax	(196)	(1,796)
	9,859	9,798

(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 period.

(c) The subsidiaries of the Group incorporated in the PRC are subject to PRC corporate income tax at a tax rate of 25%.

Notes to the Condensed Consolidated Interim Financial Information

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

12. Dividends

Dividends payable to equity shareholders of the Company attributable to the previous financial year:

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Final dividend proposed after the end of the reporting period of RMB0 cents per share (2012: RMB0.62 cents per share)	–	15,469
Special dividend proposed after the reporting period of RMB0 cents per share (2012: RMB2.21 cents per share)	–	55,139
	–	70,608

13. Loss per share

(a) Basic losses per share

The calculation of basic losses per share is based on the consolidated loss attributable to equity shareholders of the Company for the period of RMB 76,559,000 (consolidated loss for six months ended 30 June 2012: RMB 13,839,000) and the weighted average number of RMB 2,495,000,000 (six months ended 30 June 2012: RMB 2,495,000,000) shares in issue during the interim period.

(b) Diluted losses per share

There were no dilutive potential ordinary shares for the six months ended 30 June 2013 and 2012, and therefore, the basic and diluted losses per share are the same.

Notes to the Condensed Consolidated Interim Financial Information

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

14. Property, Plant and Equipment and Intangible Assets

	Property, plant and equipment RMB'000	Intangible assets RMB'000
Six months ended 30 June 2013		
As at 1 January 2013	565,183	52,273
Additions	36,417	2,190
Disposals	(2,083)	–
Depreciation	(38,899)	(3,995)
Impairment	(20,500)	–
As at 30 June 2013	540,118	50,468
Six months ended 30 June 2012		
As at 1 January 2012	311,494	31,885
Additions	98,234	2,805
Disposals	(161)	–
Depreciation	(23,811)	(928)
Impairment	(10,000)	–
As at 30 June 2012	375,756	33,762

Notes to the Condensed Consolidated Interim Financial Information

for the six months ended 30 June 2013
(Expressed in Renminbi unless otherwise indicated)

15. Trade and Other Receivables

	As at 30 June 2013 RMB'000	As at 31 December 2012 RMB'000
Current portion:		
Trade receivables (a)	20,712	23,238
Prepayments (b)	17,821	11,129
Deposits	41,373	38,395
Amounts due from related parties (Note 21(c))	–	1,935
Other receivables	7,439	6,289
Prepaid rental	15,648	18,445
Interest receivable	6,775	8,644
	109,768	108,075
Non-current portion:		
Prepayments for decoration work (b)	2,488	7,920
Prepayments for acquisition of a property in Lufeng (b)	144,792	144,792
	147,280	152,712
	257,048	260,787

(a) 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

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:

	As at	
	30 June 2013 RMB'000	31 December 2012 RMB'000
0 – 30 days	16,766	14,609
31 – 90 days	2,724	7,152
91 – 365 days	1,222	1,477
	20,712	23,238

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 30 June 2013, trade receivables of RMB 20,712,000 were fully performing (31 December 2012: RMB23,238,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	Note	As at 30 June 2013 RMB'000	As at 31 December 2012 RMB'000
Prepayments for decoration work	(i)	2,488	7,920
Prepayments for purchase of merchandise	(ii)	17,821	11,129
Prepayments for acquisition of a property in Lufeng	(iii)	144,792	144,792
		165,101	163,841

(i) The balance as at 30 June 2013 and 31 December 2012 represented the prepayments for decoration work for a department store of the Group.

(ii) The balance as at 30 June 2013 and 31 December 2012 represented prepayments made to suppliers.

(iii) The balance as at 30 June 2013 and 31 December 2012 represented a prepayment for the acquisition of a property in Lufeng, Guangdong Province, the PRC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2013
(Expressed in Renminbi unless otherwise indicated)

16. BANK DEPOSITS, CASH AND CASH EQUIVALENTS

	As at 30 June 2013 RMB'000	As at 31 December 2012 RMB'000
Fixed term	445,568	230,500
Restricted deposit for bank borrowing	387,157	387,040
Total bank deposits	832,725	617,540
Cash and cash equivalents	634,524	1,144,010
	1,467,249	1,761,550

17. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares, authorized (thousand)	Issued and fully paid: Number of ordinary shares (thousand)	Issued and fully paid: Ordinary share capital RMB'000	Share premium RMB'000 (Note i)	Total RMB'000
At 1 January 2013 and at 30 June 2013	1,500,000	2,495,000	213,908	894,338	1,108,246
At 1 January 2012 and at 30 June 2012	1,500,000	2,495,000	213,908	894,338	1,108,246

(i) Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the Companies Law of the Cayman Islands, the funds in share premium account are distributable to shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

18. TRADE AND OTHER PAYABLES

	As at 30 June 2013 RMB'000	As at 31 December 2012 RMB'000
Trade payables (Note a)	246,187	400,398
Rental payables	163,820	145,194
Other tax payables	24,797	35,292
Deferred income	27,991	34,934
Accrued wages and salaries	20,407	26,421
Amount due to related parties (Note 21 (c))	1,670	3,170
Advances from suppliers	5,970	5,970
Advances received from customers (Note b)	363,362	409,259
Dividend payable (Note 12)	575	70,608
Deposits	43,412	52,724
Provisions	11,654	4,369
Other payables and accruals	43,699	41,094
	953,544	1,229,433

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

(a) The aging analysis of the trade payables of the Group was follows:

	As at 30 June 2013 RMB'000	As at 31 December 2012 RMB'000
0 – 30 days	80,677	26,399
31 – 60 days	79,210	90,767
61 – 90 days	16,352	111,326
91 – 365 days	28,987	124,905
1 year – 2 years	24,307	28,960
2 years – 3 years	16,194	17,585
Over 3 years	460	456
	246,187	400,398

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2013
(Expressed in Renminbi unless otherwise indicated)

19. BORROWINGS

	As at 30 June 2013 RMB'000	As at 31 December 2012 RMB'000
Bank borrowings, secured	238,965	243,255

Movements in borrowings is analysed as follows:

	RMB'000
Six months ended 30 June 2013	
As at 1 January 2013	243,255
Repayments of borrowings	(1,199,115)
Proceeds of new borrowings	1,194,825
As at 30 June 2013	238,965
Six months ended 30 June 2012	
As at 1 January 2012	243,210
Repayments of borrowings	(979,618)
Proceeds of new borrowings	980,968
As at 30 June 2012	244,560

20. COMMITMENTS

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

	As at 30 June 2013 RMB'000	As at 31 December 2012 RMB'000
Capital commitments – expenditures of property, plant and equipment – Contracted but not provided for	63,337	62,484

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

20. COMMITMENTS (CONTINUED)

(b) Operating lease commitments – the Group as the lessee

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

	As at 30 June 2013 RMB'000	As at 31 December 2012 RMB'000
Land and buildings:		
Not later than 1 year	175,800	170,186
Later than 1 year and not later than 5 years	798,380	705,101
Over 5 years	1,877,703	1,704,080
	2,851,883	2,579,367

The Group leases a number of properties under operating leases in respect of retail shops, offices and warehouses. The leases typically run for a period of 7 to 22 years, with an option to renew the lease but the terms should be subject to renegotiation. None of the leases includes contingent rentals.

(c) Operating lease commitments – the Group as the lessor

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

	As at 30 June 2013 RMB'000	As at 31 December 2012 RMB'000
Land and buildings:		
Not later than 1 year	36,857	33,065
Later than 1 year and not later than 5 years	68,452	60,439
Over 5 years	28,735	35,526
	134,044	129,030

Notes to the Condensed Consolidated Interim Financial Information
for the six months ended 30 June 2013
(Expressed in Renminbi unless otherwise indicated)

21. Related Party Transactions

The Group is controlled by Shirble Department Store Limited (incorporated in the BVI) and Homey Enterprises Limited (incorporated in the BVI), which own 66.6% and 5% of the Company's shares respectively. The remaining 28.4% of the shares are widely held. The ultimate parent of the Group is Xiang Rong Investment Limited (incorporated in the BVI). The ultimate controlling party of the Group is Mr. YANG Xiangbo.

The following were related parties of the Group:

Name	Relationship
Mr. YANG Xiangbo	One of the Controlling Shareholders
Shenzhen Ruizhuo Investment Development Company Limited ("Ruizhuo Investment")	Owned in equal shares by Mr. YANG Xiangbo's nephew and niece
Shenzhen Guozhan Investment Development Co., Ltd. ("Shenzhen Guozhan")	Wholly-owned by Mr. YANG Xiangbo's brother-in-law and niece, who is one of the equity interest holders of Ruizhuo Investment
Luhe County Shirble Inn ("Shirble Inn")	Controlled by Mr. YANG Xiangbo
Shirble Property Management (Shenzhen) Co., Ltd. ("Shirble Property Management")	Controlled by Mr. YANG Xiangbo
Shenzhen Tangming Logistic Co., Ltd. ("Tangming")	Wholly-owned by Ms. ZHU Bihui, who is one of the equity interest holders of RuiZhuo Investment

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2013

(Expressed in Renminbi unless otherwise indicated)

21. RELATED PARTY TRANSACTIONS (CONTINUED)

The following transactions were carried out with related parties:

(a) Rental expenses to related parties

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Ruizhuo Investment	10	276
Shenzhen Guozhan	–	4,788
Shirble Inn	55	312
	65	5,376

The Group entered into lease agreements in respect of certain leasehold properties with related parties of the Group for its distribution centre, retail shops, training centre and employee dormitories.

The directors of the Company are of the opinion that the above related party transactions were conducted on terms no less favourable to the Group than terms available to or from independent third parties and in the ordinary course of business.

(b) Non-recurring transactions

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Advances to Tangming	–	6,000
Repayment of advance from Tangming	–	(6,000)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2013
(Expressed in Renminbi unless otherwise indicated)

21. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties

(i) *Amounts due from related parties*

	As at 30 June 2013 RMB'000	As at 31 December 2012 RMB'000
Shenzhen Guozhan	–	1,935

(ii) *Amounts due to related parties*

	As at 30 June 2013 RMB'000	As at 31 December 2012 RMB'000
Ruizhuo Investment	50	1,317
Shirble Inn	81	26
Shirble Property Management	–	260
Mr. Yang Xiangbo	1,539	1,567
	1,670	3,170

The outstanding balances with these related parties are unsecured, interest-free and repayable on demand.

Other information

Corporate Governance Practices

The Company is committed to achieving and maintaining high standards of corporate governance. In the opinion of the Directors, throughout the six months ended 30 June 2013, the Company has complied with the principles and code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") except Code Provision A.6.7 of the CG Code which provides that the independent non-executive directors and non-executive directors should attend general meetings of the Company. Due to other prior business engagements, one independent non-executive director was not able to attend the annual general meeting and the extraordinary general meeting of the Company held on 30 January 2013 and 21 February 2013 respectively.

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 which has been completed in late March 2013 and findings were reported to the Audit Committee and the Board in April 2013. The Audit Committee has followed up with the findings and implemented the suggestions from the accounting firm during the period.

The enhancement of the internal controls measures will also continue to be monitored by the internal audit department and the 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.

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 six months ended 30 June 2013.

OTHER INFORMATION

AUDIT COMMITTEE

As of the date of this report, 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 period, the Audit Committee has held meetings with management and external auditors and internal control consultant to discuss on the auditing, internal controls and financial reporting matters of the Company, and has reviewed on the Group's internal control and unaudited interim results for the six months ended 30 June 2013.

INTERIM DIVIDEND

In view of the loss incurred for the six months ended 30 June 2013 and the working capital requirements for the business expansion of the Group, the Board does not recommend the distribution of an interim dividend for the six months ended 30 June 2013 (for the six months ended 30 June 2012: RMB Nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2013, the interests of the directors of the Company in the shares of the Company and its associated corporations as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance (the "SFO"); or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in the Listing Rules were as follows:

(a) Long positions in Shares of the Company

Name of director	Capacity	Number of Shares	Percentage of shareholding
Mr. Yang Xiangbo[1]	Interest in a controlled corporation	1,662,487,500	66.6%

Notes:

(1) Mr. YANG is the beneficial owner of all the issued share capital of Xiang Rong Investment Limited ("Xiang Rong Investment"), the Company's substantial Shareholders, which in turn owns the entire issued share capital of Shirble BVI and is deemed to be interested in the 1,662,487,500 Shares held by Shirble BVI.

OTHER INFORMATION

(b) Long positions in the shares of associated corporations

Name of director	Name of associated corporations	Capacity	Number of Shares	Percentage of shareholding
Mr. Yang Xiangbo	Shirble BVI	Interest in a controlled corporation	50,000	100%
Mr. Yang Xiangbo	Xiang Rong Investment	Beneficial owner	100	100%

Save as disclosed above, as at 30 June 2013, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; nor had there been any grant or exercise of rights of such interests during the six months ended 30 June 2013.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2013, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company), had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO.

Long position in the shares of the Company

Name	Capacity	Number of Shares	Percentage of shareholding
Shirble BVI	Beneficial owner	1,662,487,500	66.6%
Xiang Rong Investment	Interest in a controlled corporation	1,662,487,500	66.6%

Save as disclosed above, as at 30 June 2013, the Directors are not aware of any person who had any interests or short positions in Shares or, underlying Shares as recorded in the register required to be kept under sector 336 of the SFO.

OTHER INFORMATION

SHARE OPTION SCHEME

The Company adopted a Share Option Scheme (the "Scheme") pursuant to the resolutions of the shareholders of the Company passed on 30 October 2010. The purpose of the Scheme is to recognise and acknowledge the contributions that the Group's Directors and employees, customers, suppliers, agents, business or joint venture partners, consultants, distributors, promoters, service providers, advisors or contractors to any member of the Group have made or may make to the business development of the Group. Apart from the determination of the subscription price, the Directors will have an absolute discretion to impose performance targets on the option holders before any option that can be exercised with reference to the objectives of the Scheme. A consideration of HK$1.0 will be payable upon acceptance of the offer. The Scheme will remain in force until 29 October 2020. Details of the Scheme were disclosed in the Company's Prospectus.

Since the date of adoption of the Scheme and up to the date of this report, no options have been granted under the Scheme.

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 six months ended 30 June 2013.

CORPORATE INFORMATION

DIRECTORS

Executive Directors:
YANG Xiangbo
LI Kuansen

Independent non-executive Directors:
ZHAO Jinlin
CHEN Fengliang
JIANG Hongkai
FOK Hei Yu

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTER IN PRC

11/F, Tower 2
2028 Jintian Road
Huanggang Business Centre
Futian District
Shenzhen
PRC

PLACE OF BUSINESS IN HONG KONG

Suite 1402, Dah Sing Financial Centre
108, Gloucester Road
Wanchai
Hong Kong

COMPANY SECRETARY

CHAN Chore Man, Germaine, CPA

AUTHORISED REPRESENTATIVES

YANG Xiangbo
CHAN Chore Man, Germaine, CPA

HONG KONG LEGAL ADVISORS

Squire Sanders
29th Floor, Edinburgh Tower,
The Landmark
15 Queen's Road Central,
Hong Kong

AUDIT COMMITTEE OF THE BOARD

ZHAO Jinlin *(Chairperson)*
CHEN Fengliang
JIANG Hongkai
FOK Hei Yu

REMUNERATION COMMITTEE OF THE BOARD

CHEN Fengliang *(Chairperson)*
YANG Xiangbo
JIANG Hongkai
FOK Hei Yu

NOMINATION COMMITTEE OF THE BOARD

JIANG Hongkai *(Chairperson)*
YANG Xiangbo
ZHAO Jinlin
FOK Hei Yu

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-16, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

In China
Agricultural Bank of China
Industrial and Commercial Bank of China
Shenzhen Development Bank
China Construction Bank
Bank of Shanghai

In Hong Kong
The Hongkong and Shanghai Banking Corporation Limited
UBS AG

AUDITOR

PricewaterhouseCoopers
22nd Floor, Prince's Building
10 Chater Road
Central, Hong Kong

COMPANY'S WEBSITE

www.shirble.net

STOCK CODE

00312.HK